SALEM COMMUNICATIONS CORP /DE/
Form S-3
April 19, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SALEM COMMUNICATIONS CORPORATION
SALEM COMMUNICATIONS HOLDING CORPORATION

Additional C0-registrants are listed on the following page.
(Exact name of Registrant as specified in its charter)

Delaware **Delaware** (State or jurisdiction of incorporation or organization)	**77-0121400** **52-2253737** (I.R.S. Employer Identification No.)

4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
(805) 987-0400
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Jonathan L. Block, Esq.
Salem Communications Corporation
Salem Communications Holding Corporation
4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
(805) 987-0400
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:
Thomas D. Magill, Esq.
Gibson, Dunn & Crutcher LLP
4 Park Plaza, Suite 1400
Irvine, California 92614
(949) 451-3800

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box [ ]

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. [X]

 If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement from the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

(The Facing Page is continued on the following page)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Debt Securities of Salem Holding Corporation	(2), (3)	(2)	(2)	see below
Preferred Stock of Salem Communications Corporation	(2), (4)	(2)	(2)	see below
Class A Common Stock of Salem Communications Corporation	(2), (5)	(2)	(2)	see below
Class A Common Stock of Salem Communications Corporation	(2), (6)	(7)	(7)	see below
Warrants of Salem Communications Corporation	(2), (8)	(2)	(2)	see below
Guarantees of the Debt Securities by direct and indirect subsidiaries of Salem Communications Holding Corporation and Salem Communications Corporation	(2)	(2)	(2)	see below
Total	$ 240,000,000(2)	(2)	$ 240,000,000(2)	$ 22,080(9)

(1) Exclusive of accrued interest and dividends, if any, and estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

(2) In no event will the aggregate maximum offering price of all securities issued, from time to time, pursuant to this Registration Statement exceed $240,000,000. The proposed maximum offering price per unit will be determined from time to time, by the Registrant or other selling security holders in connection with the sale by the Registrant or other selling security holders of the securities registered hereunder. Any

securities registered hereunder may be sold separately or as units with other securities registered hereunder.

(3) Subject to footnote (2), there is being registered hereunder an indeterminate principal amount of debt securities as may be sold, from time to time, for the account of the Registrant. If any debt securities are being issued at an original issue discount, then the offering price may be in such greater principal amount as shall result in the aggregate initial offering price not to exceed $240,000,000, less the dollar amount of any securities previously issued hereunder.

(4) Subject to footnote (2), there is being registered hereunder an indeterminate number of shares of the Registrant's preferred stock as may be sold, from time to time, for the account the Registrant, including sales upon exercise of warrants.

(5) Subject to footnote (2), there is being registered hereunder an indeterminate number of shares of the Registrant's Class A Common Stock as may be sold from time to time, by the Registrant, including shares of other classes or series of the Registrant's stock that may be issued upon reclassification of unissued, authorized stock of the Registrant. There is also being registered hereunder an indeterminate number of shares of the Registrant's Class A Common Stock, including shares of other classes or series of the Registrant's stock that may be issued upon reclassification of unissued, authorized stock of the Registrant, as shall be issuable upon conversion of the preferred stock or debt securities or exercise of warrants registered hereby.

(6) Subject to footnote (2), there is being registered hereunder 1,250,000 shares of the Registrant's Class A Common Stock that may be sold from time to time by the selling security holders.

(7) The offering price of the shares of Class A Common Stock to be sold from time to time by the selling security holders and the applicable registration fee were computed pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based on the average of the high and low sales prices of the Registrant's Class A Common Stock on April 17, 2002. The maximum aggregate offering price listed is for fee computation purposes only and does not reflect the actual sale price of the shares registered.

(8) Subject to footnote (2), there is being registered hereunder an indeterminate number of warrants representing rights to purchase shares of preferred stock or Class A Common Stock of the Registrant, including shares of other classes or series of the Registrant's stock that may be issued upon reclassification of unissued, authorized stock of the Registrant registered pursuant to this Registration Statement.

(9) Pursuant to rule 457(n) under the Securities Act of 1933, as amended, no separate fee for the guarantees is payable.

The following direct and indirect subsidiaries of the Registrant may guarantee certain of the debt securities and are co-registrants under this registration statement:

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Numbers	I.R.S. Employer Identification Number
ATEP Radio, Inc.	California	4832	77-0132973
Bison Media, Inc.	Colorado	4832	77-0434654
Caron Broadcasting, Inc.	Ohio	4832	77-0439370
CCM Communications, Inc.	Tennessee	2721	95-3394730
Common Ground Broadcasting, Inc.	Oregon	4832	93-1079989
Golden Gate Broadcasting Company, Inc.	California	4832	94-3082936
Inland Radio, Inc.	California	4832	77-0114987
Inspiration Media of Pennsylvania, L.P.	Pennsylvania	4832	52-2295353
Inspiration Media of Texas, LLC	Texas	4832	75-2615876
Inspiration Media, Inc.	Washington	4832	77-0132974
Kingdom Direct, Inc.	California	2761	77-0498022
New England Continental Media, Inc.	Massachusetts	4832	04-2625658
New Inspiration Broadcasting Company, Inc.	California	4832	95-3356921
OnePlace, LLC	Delaware	4899	52-2141739
Pennsylvania Media Associates, Inc.	Pennsylvania	4832	94-3134636
Radio 1210, Inc.	California	4832	77-0052616
Reach Satellite Network, Inc.	Tennessee	4832	62-1499223

Salem Communications Acquisition Corporation	Delaware	4832	52-2251145
Salem Media Corporation	New York	4832	95-3482072
Salem Media of Colorado, Inc.	Colorado	4832	84-1239646
Salem Media of Georgia, Inc.	Delaware	4832	52-2194729
Salem Media of Hawaii, Inc.	Delaware	4832	91-1973005
Salem Media of Illinois, LLC	Delaware	4832	52-2295222
Salem Media of Kentucky, Inc.	Kentucky	4832	61-1346985
Salem Media of New York, LLC	Delaware	4832	52-2293254
Salem Media of Ohio, Inc.	Ohio	4832	95-3690954
Salem Media of Oregon, Inc.	Oregon	4832	77-0114986
Salem Media of Pennsylvania, Inc.	Pennsylvania	4832	77-0237182
Salem Media of Texas, Inc.	Texas	4832	77-0379125
Salem Media of Virginia, Inc.	Virginia	4832	54-1927897
Salem Music Network, Inc.	Texas	4899	77-0434655
Salem Radio Network Incorporated	Delaware	4899	77-0305542
Salem Radio Operations-Pennsylvania, Inc.	Delaware	4832	52-2295223
Salem Radio Operations, LLC	Delaware	4832	77-0581097
Salem Radio Properties, Inc.	Delaware	6531	52-2194731
Salem Radio Representatives, Inc.	Texas	4899	77-0281576
SCA License Corporation	Delaware	4832	52-2255733
South Texas Broadcasting, Inc.	Texas	4832	77-0388924
SRN News Network, Inc.	Texas	4899	77-0426090
Vista Broadcasting, Inc.	California	4832	77-0389639

Subject to Completion, Dated April 19, 2002

PROSPECTUS

$240,000,000

SALEM COMMUNICATIONS CORPORATION
SALEM COMMUNICATIONS HOLDING CORPORATION

Debt Securities, Preferred Stock,
Class A Common Stock, and Warrants

This prospectus provides a general description of the debt securities that may be offered from time to time by Salem Communications Holding Corporation and the preferred stock, Class A Common Stock and warrants that may be offered from time to time by Salem Communications Corporation. Salem Communications Holding Corporation is referred to throughout this prospectus as Salem Holding and Salem Communications Corporation is referred to as Salem Communications . Unless the context indicates otherwise, all references to we, our, ours, and us refer to Salem Communications and its consolidated subsidiaries, including Salem Holding. Each time Salem Holding or Salem Communications sells securities, it will provide a supplement to this prospectus that contains specific information about the offering and the specific terms of the securities offered. You should read this prospectus and the applicable prospectus supplement carefully before you invest in the securities. This prospectus may not be used to consummate a sale of securities unless accompanied by the applicable prospectus supplement.

The aggregate initial offering price of all securities sold under this prospectus will not exceed $240,000,000. Of these securities, the selling security holders named in this prospectus may sell up to 1,250,000 shares of Salem Communications Class A Common Stock.

Salem Communications Class A Common Stock is listed on the Nasdaq Stock Market's National Market under the symbol SALM.

Investing in our securities involves a high degree of risk. See Certain Factors Affecting Salem contained in the Business section of our filings with the SEC and the applicable prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 19, 2002.

TABLE OF CONTENTS

	PAGE
ABOUT THIS PROSPECTUS	1
THE COMPANY	2
USE OF PROCEEDS	3
RATIO OF EARNINGS TO FIXED CHARGES	3
DESCRIPTION OF DEBT SECURITIES	4
DESCRIPTION OF OTHER DEBT SECURITIES	40
DESCRIPTION OF GUARANTEES	48
DESCRIPTION OF CAPITAL STOCK	49
DESCRIPTION OF WARRANTS	50
SELLING SECURITY HOLDERS	53
PLAN OF DISTRIBUTION	54
WHERE YOU CAN FIND MORE INFORMATION	55
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	56
FORWARD-LOOKING STATEMENTS	57
EXPERTS	57
LEGAL MATTERS	57

Neither Salem Communications nor Salem Holdings has authorized anyone to give any information or make any representation about Salem Communications or Salem Holding that is different from or in addition to, that contained in this prospectus or in any of the materials that are incorporated by reference into this document. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document, unless the information specifically indicates that another date applied.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement filed with the SEC using a shelf registration process. Under this shelf process, Salem Communications and Salem Holding, or under certain circumstances, selling security holders, may sell any combination of the securities described in this prospectus from time to time up to a total dollar amount of $240,000,000.

The types of securities that may be offered and sold from time to time by this prospectus are:

- debt securities of Salem Holding, which may include guarantees of the debt securities by some or all of Salem Holding's direct or indirect subsidiaries and by Salem Communications and its direct or indirect subsidiaries;
- Salem Communications preferred stock;
- Salem Communications Class A Common Stock; and
- Salem Communications warrants entitling the holders to purchase Salem Communications Class A Common Stock, Salem Communications preferred stock or other securities.

These securities may be sold either separately or in units. Salem Holding may issue debt securities convertible into other securities and Salem Communications may issue preferred stock that may be convertible into shares of Salem Communications Class A Common Stock or another series of preferred stock.

The selling security holders named in this prospectus may sell up to 1,250,000 shares of Salem Communications Class A Common Stock.

This prospectus provides a general description of the securities that may be offered by Salem Communications and Salem Holding. Each time securities are sold, a prospectus supplement will be delivered with this prospectus which will describe specific information about the offering and the terms of the particular securities offered. Each prospectus supplement will include the following information:

- the type and amount of securities that Salem Communications, Salem Holding or any selling security holders propose to sell;
- the initial public offering price of the securities;
- the names of any underwriters or agents through or to which the securities are sold;
- any compensation of those underwriters or agents; and
- information about any securities exchanges or automated quotation systems on which the securities will be listed or traded.

In addition, the prospectus supplement may also add, update or change the information contained in this prospectus.

THE COMPANY

We believe that we are the largest U.S. radio broadcasting company, measured by number of stations and audience coverage, providing programming targeted at audiences interested in religious and family issues. Our core business is the ownership and operation of radio stations in large metropolitan markets. We own and operate 82 radio stations, including 57 stations in 22 of the top 25 markets. This makes us the sixth largest operator measured by number of stations overall and the third largest operator measured by number of stations in the top 25 markets. In addition, management believes that we are the thirteenth largest radio broadcaster measured by net broadcasting revenues for the year ended December 31, 2001. We also own Salem Radio Network,® which we believe to be a leading developer, producer and syndicator of religious and family issues oriented talk, news and music programming with over 1,600 affiliated radio stations. In addition, we own complementary Internet and publishing businesses.

Our business strategy is to expand and improve our national radio platform in order to deliver compelling content to audiences interested in religious and family issues. We primarily program our stations with our Christian teaching and talk format which is talk programming with religious and family themes. We also feature conservative news/talk and contemporary Christian music formats. Salem Radio Network® supports our strategy by enabling us to offer a variety of program content on our radio stations.

Both our chief executive officer and our chairman are career radio broadcasters who have owned and operated radio stations for over 25 years. Our management team has successfully executed a strategy of identifying, acquiring and operating radio stations.

We continue to seek new ways to expand and integrate our distribution and content capabilities. We have acquired magazine, Internet and software businesses that direct their content to persons with interests that are similar to those of our primary radio audience. We will continue to pursue acquisitions of new media and other businesses that serve our audience. We plan to use these businesses, together with our radio stations and network, to attract, grow and retain a larger audience and customer base.

Our principal executive offices are located at 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012, and our telephone number is (805) 987-0400.

Organizational Structure

Salem Communications was formed in 1986 as a California corporation and was reincorporated in Delaware in 1999. Salem Holding was formed as a wholly-owned subsidiary of Salem Communications in May 2000. In May 2000, Salem Communications formed an additional wholly owned subsidiary, Salem Communications Acquisition Corporation, which has since acquired nine radio stations through its wholly-owned subsidiary SCA License Corporation. In August, 2000, Salem Communications assigned substantially all of its assets and liabilities (other than stock of Salem Holding and Salem Acquisition) to Salem Holding.

On June 15, 2001, Salem Holding effected a dividend to Salem Communications of Salem Holding s publishing and Internet business. This transaction was effected as a dividend of the capital stock and membership interests, respectively, of Salem Holding's wholly-owned subsidiaries CCM Communications, Inc. and OnePlace, LLC. As a result, CCM and OnePlace became direct subsidiaries of Salem Communications. CCM and OnePlace continue to be guarantors of borrowings under Salem Holding s credit facility and of Salem Holding s existing 9-l/2% notes and 9% notes. Salem Communications and all of its subsidiaries (other than Salem Holding) are guarantors of the borrowings under Salem Holding s credit facility, Salem Holding s existing 9-1/2% notes and 9% notes.

The chart below sets forth our organizational structure.

USE OF PROCEEDS

We intend to use the net proceeds we receive from the sale of the securities offered by this prospectus for general corporate purposes, which may include the acquisition of additional radio stations, the repayment of existing indebtedness, or for any other purposes that may be described in an accompanying prospectus supplement. We will not receive any of the proceeds from the sale of Salem Communications Class A Common Stock by selling security holders.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	Year Ended December 31,				
	2001	**2000**	**1999**	**1998**	**1997**
Ratio of earnings to fixed charges	1.2x	1.9x	0.6x	0.9x	0.9x

For purposes of calculating this ratio:

fixed charges consist of interest expense plus an allocation of a portion of rent expense representing interest; and

earnings consist of income (loss) before extraordinary items plus fixed charges.

DESCRIPTION OF DEBT SECURITIES

Salem Holding may issue debt securities under one or more indentures between Salem Holding and a trustee that is qualified to act as such under the Trust Indenture Act. Salem Communications or any of its direct or indirect subsidiaries that guarantee the debt securities will also enter into the applicable indenture. The indentures may be amended or supplemented from time to time and are governed by the Trust Indenture Act. Unless otherwise stated in an accompanying prospectus supplement, the trustee under the indentures will be The Bank of New York.

The following is a summary of the material provisions of each indenture. It does not restate the indentures entirely and is qualified by reference to the indentures. You are urged to read the indentures. The indentures are filed or will be filed as exhibits to the registration statement of which this prospectus is a part, and you may inspect them at the office of the trustee, or as described under the heading Where You Can Find More Information at page 55. References below to an indenture are references to the applicable indenture under which a particular series of debt securities is issued. For each series of debt securities, the applicable prospectus supplement for the series may change and supplement the summary below.

Terms of the 9% Senior Subordinated Notes

You can find the definitions of certain terms used in this description under Certain Definitions. For purposes of this description, references to the Notes include the $150.0 Million in aggregate principal amount of 9% Senior Subordinated Notes due 2011 of Salem Holding issued under an indenture between Salem Holding, the Guarantors and The Bank of New York, as Trustee, dated as of June 25, 2001 (referred to in this description as the Indenture), and any additional Notes subsequently issued under the Indenture. The terms of the Notes include those stated in

the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939. If Salem Holding decides to issue additional Notes pursuant to the terms of the Indenture, a prospectus supplement relating to the additional Notes will state the price at which the additional Notes will be offered.

The following description is a summary of the material provision of the Indenture. It does not restate the Indenture in its entirety. You are urged to read the Indenture and the applicable prospectus supplement because they, and not this description, define your rights as a holder of the Notes. Copies of the Indenture are available as set forth below under the heading Where You Can Find More Information at page 55. The defined terms used in this description but not defined below under the heading Certain Definitions have the meanings assigned to them in the Indenture. The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Notes and the Guarantees

The Indenture permits Salem Holding to issue Notes up to the maximum aggregate principal amount approved by Salem Holding. $150 million of 9% Senior Subordinated Notes were initially issued in a private transaction that was not subject to the registration requirements of the Securities Act. In accordance with the provisions of the Indenture and related documents, Salem Holding completed an exchange offer pursuant to which all of the Notes issued in the initial private transaction were exchanged for a like principal amount of substantially identical Notes registered under the Securities Act. Subject to the limitations set forth under -Certain Covenants - Limitation on Indebtedness, Salem Holding may issue additional Notes under the Indenture from time to time. The Notes and any additional Notes subsequently issued under the Indenture would be treated as a single class for all purposes of the Indenture.

The Notes will mature on July 1, 2011 and are unsecured senior subordinated obligations of Salem Holding. Each Note bears interest at the rate of 9% from the issue date or from the most recent interest payment date to which interest has been paid, payable semiannually on January 1 and July 1 each year, to the person in whose name the Note is registered at the close of business on the December 15 or June 15 next preceding such interest payment date. Payment of the Notes is fully and unconditionally guaranteed by the Guarantors, jointly and severally, on a senior subordinated basis. Salem Communications and all of its Subsidiaries (other than Salem Holding) on the date of the Indenture comprise the Guarantors. See - Guarantees.

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes will be exchangeable and transferable (subject to compliance with transfer restrictions imposed by applicable securities laws) at the office or agency of Salem Holding maintained for such purposes (which initially will be the corporate trust office of the Trustee); provided, however, that payment of interest may be made at the option of Salem Holding by check mailed to the person entitled thereto as shown on the security register. The notes have been registered and any additional Notes will be issued only in fully registered form without coupons, in denominations of $1,000 and any integral multiple thereof. No service charge will be made for any registration of transfer, exchange or redemption of Notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith.

Optional Redemption

The Notes will be subject to redemption at any time on or after July 1, 2006, at the option of Salem Holding, in whole or in part, on not less than 30 nor more than 60 days' prior notice by first-class mail in amounts of $1,000 or an integral multiple thereof at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning July 1 of the years indicated below:

Year	Redemption Price
2006	104.500%
2007	103.000%
2008	101.500%
2009 and thereafter	100.000%

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

In addition, at any time on or prior to July 1, 2004, Salem Holding may redeem up to 35% of the aggregate principal amount of Notes with the net proceeds of a Public Equity Offering at a redemption price equal to 109% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on relevant record dates to receive interest due on an interest payment date); provided that

(i) at least 65% of the aggregate principal amount of Notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption, and

(ii) such redemption must occur within 60 days of the date of the closing of such Public Equity Offering.

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

SINKING FUND

There will be no sinking fund.

SUBORDINATION

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

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

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

The Payment Blockage Period shall commence upon the receipt of notice of the Non-payment Default by the Trustee from a representative of the holder of any Designated Senior Indebtedness and shall end on the earliest of

(i) the first date on which more than 179 days shall have elapsed since the receipt of such written notice (provided such Designated Senior Indebtedness as to which notice was given shall not theretofore have been accelerated),

(ii) the date on which such Non-payment Default (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) are cured, waived or ceased to exist or on which such Designated Senior Indebtedness is discharged or paid in full in cash or cash equivalents or in any other form as acceptable to the holders of Designated Senior Indebtedness or

(iii) the date on which such Payment Blockage Period (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) shall have been terminated by written notice to the Trustee from the representatives of holders of Designated Senior Indebtedness initiating such Payment Blockage Period,

after which, in the case of any of the three foregoing events, Salem Holding shall promptly resume making any and all required payments in respect of the Notes, including any missed payments. In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Trustee of the notice initiating such Payment Blockage Period (such 179-day period referred to as the Initial Period).

Any number of notices of Non-payment Defaults may be given during the Initial Period; provided that during any 365-day consecutive period only one Payment Blockage Period during which payment of principal of, or interest on, the Notes may not be made may commence and the duration of the Payment Blockage Period may not exceed 179 days.

No Non-payment Default with respect to Designated Senior Indebtedness which existed or was continuing on the date of the commencement of any Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 365 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days.

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

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

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

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

Senior Indebtedness is defined as the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) on any Indebtedness of Salem Holding (other than as otherwise provided in this definition), whether outstanding on the date of the Indenture or thereafter created, incurred or assumed, and whether at any time owing, actually or on a contingent basis, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Notes. Without limiting the generality of the foregoing, Senior Indebtedness shall include:

(i) the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) and all other obligations of every nature of Salem Holding from time to time owed to the lenders (or their agent) under the Bank Credit Agreement; provided, however, that any Indebtedness under any refinancing, refunding or replacement of the Bank Credit Agreement shall not constitute Senior Indebtedness to the extent that the Indebtedness thereunder is by its express terms subordinated in right of payment to any other Indebtedness of Salem Holding, and

(ii) Indebtedness under Interest Rate Agreements.

Notwithstanding the foregoing, Senior Indebtedness shall not include:

(i) Indebtedness evidenced by the Notes or the Existing Notes,

(ii) Indebtedness that is subordinate or junior in right of payment, by contract or otherwise, to any Indebtedness of Salem Holding,

(iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to Salem Holding,

(iv) Indebtedness which is represented by Disqualified Equity Interests,

(v) any liability for foreign, federal, state, local or other taxes owed or owing by Salem Holding to the extent such liability constitutes Indebtedness,

(vi) Indebtedness of Salem Holding to a Subsidiary or any other Affiliate of Salem Holding or any of such Affiliate s subsidiaries,

(vii) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture (but, for purposes of this clause, no such Indebtedness shall be deemed to be issued in violation of the Indenture if the holders of such obligation or their representative shall have received an officers certificate of Salem Holding to the effect that the incurrence of such Indebtedness does not (or, in the case of revolving credit indebtedness, that the incurrence of the entire committed amount thereof at the date on which the initial borrowing thereunder is made would not) violate such provisions of the Indenture),

(viii) Indebtedness evidenced by a guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness and

(ix) Indebtedness owed by Salem Holding for compensation to employees or for services rendered by employees.

Guarantor Senior Indebtedness is defined as the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy laws whether or not allowable as a claim in such proceeding) on any Indebtedness of any Guarantor (other than as otherwise provided in this definition), whether outstanding on the date of the Indenture or thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to any Guarantor. Without limiting the generality of the foregoing, Guarantor Senior Indebtedness shall include:

(i) the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) and all other obligations of every nature of any Guarantor from time to time owed to the lenders (or their agent) under the Bank Credit Agreement; provided, however, that any Indebtedness under any refinancing, refunding, or replacement of the Bank Credit Agreement shall not constitute Guarantor Senior Indebtedness to the extent that the Indebtedness thereunder is by its express terms subordinate to any other Indebtedness of any Guarantor and

(ii) Indebtedness under Interest Rate Agreements.

Notwithstanding the foregoing, Guarantor Senior Indebtedness shall not include

(i) Indebtedness evidenced by the Guarantees or the Existing Notes Guarantees,

(ii) Indebtedness that is subordinate or junior in right of payment, by contract or otherwise, to any Indebtedness of any Guarantor,

(iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to any Guarantor,

(iv) Indebtedness which is represented by Disqualified Equity Interests,

(v) any liability for foreign, federal, state, local or other taxes owed or owing by any Guarantor to the extent such liability constitutes Indebtedness,

(vi) Indebtedness of any Guarantor to a Subsidiary or any other Affiliate of Salem Holding or any of such Affiliate s subsidiaries,

(vii) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture (but, for purposes of this clause, no such Indebtedness shall be deemed to be issued in violation of the Indenture if the holders of such obligation or their representative shall have received an officers certificate of Salem Holding to the effect that the incurrence of such Indebtedness does not (or, in the case of revolving credit indebtedness, that the incurrence of the entire committed amount thereof at the date on which the initial borrowing thereunder is made would not) violate such provisions of the Indenture),

(viii) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness, and

(ix) Indebtedness owed by any Guarantor for compensation to employees or for services rendered by employees.

Designated Senior Indebtedness is defined as (i) all Senior Indebtedness outstanding under the Bank Credit Agreement and (ii) any other Senior Indebtedness which is incurred pursuant to an agreement (or series of related agreements) simultaneously entered into providing for indebtedness, or commitments to lend, of at least $25.0 million at the time of determination and is specifically designated in the instrument evidencing such Senior Indebtedness or the agreement under which such Senior Indebtedness arises as Designated Senior Indebtedness by Salem Holding.

As of December 31, 2001, on a pro forma basis, the aggregate amount of Senior Indebtedness that ranked senior in right of payment to the Notes was $61.6 million, and the aggregate amount of Pari Passu Indebtedness of Salem Holding was $100.0 million. Salem Holding's and its Subsidiaries' ability to incur additional Indebtedness is restricted as set forth under - Certain Covenants - Limitation on Indebtedness. Any Indebtedness which can be incurred may constitute additional Senior Indebtedness or Guarantor Senior Indebtedness.

Guarantees

The Guarantors will, jointly and severally, fully and unconditionally guarantee the due and punctual payment of principal of, premium, if any, and interest on, the Notes. Such guarantees will be subordinated in right of payment to Guarantor Senior Indebtedness. See - Subordination. As of December 31, 2001, on a pro forma basis, the aggregate amount of Guarantor Senior Indebtedness that ranked senior in right of payment to the Guarantees was $61.6 million, all of which constitutes outstanding indebtedness representing guarantees of Senior Indebtedness, and the aggregate amount of Pari Passu Indebtedness of the Guarantors was $100.0 million. In addition, under certain circumstances, Salem Holding and Parent are required to cause the execution and delivery of additional Guarantees by their Subsidiaries. A Guarantor shall be released from all of its obligations under its Guarantee under certain circumstances. See - Certain Covenants - Limitations on Issuances of Guarantees of and Pledges for Indebtedness.

The Guarantors consist of Parent and all of Parent s existing Subsidiaries (other than Salem Holding) on the date of the Indenture. The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law.

Parent and the Parent Subsidiary Guarantors will not be subject to any of the restrictive covenants contained in the Indenture other than those described under - Certain Covenants - Limitation on Senior Subordinated Indebtedness, - Certain Covenants - Limitations on Issuances of Guarantees of and Pledges for Indebtedness and - Consolidation, Merger, Sale of Assets.

Certain Covenants

The Indenture will contain, among others, the following covenants:

Limitation on Indebtedness. Salem Holding will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or directly or indirectly guarantee or in any other manner become directly or indirectly liable for (incur) any Indebtedness (including Acquired

Indebtedness), except that Salem Holding may incur Indebtedness and a Restricted Subsidiary Guarantor may incur Permitted Subsidiary Indebtedness if, in each case, the Debt to Operating Cash Flow Ratio of Salem Holding and its Restricted Subsidiaries at the time of the incurrence of such Indebtedness, after giving pro forma effect thereto, is 7.0 to 1 or less.

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

(i) Indebtedness of Salem Holding incurred pursuant to the Bank Credit Agreement in an aggregate principal amount which, when taken together with the amount of all Indebtedness incurred by Salem Holding pursuant to this clause (i) and then outstanding, does not exceed $75.0 million;

(ii) Indebtedness of Salem Holding pursuant to the Notes (other than additional Notes issued pursuant to the Indenture) and Indebtedness of any Restricted Subsidiary Guarantor pursuant to a Guarantee;

(iii) Indebtedness of any Restricted Subsidiary Guarantor consisting of a guarantee of Salem Holding s Indebtedness under the Bank Credit Agreement;

(iv) Indebtedness of Salem Holding or any of its Restricted Subsidiaries outstanding on the date of the Indenture and listed on Schedule I thereto;

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

(vi) Indebtedness of a Wholly Owned Restricted Subsidiary of Salem Holding owing to Salem Holding or another Wholly Owned Restricted Subsidiary of Salem Holding; provided that, with respect to Indebtedness owing to a Wholly Owned Restricted Subsidiary of Salem Holding that is not a Guarantor, (x) any such Indebtedness is made pursuant to an intercompany note in the form attached to the Indenture and (y) any such Indebtedness shall be subordinated in right of payment from and after such time as the obligations under the Guarantee, if any, by such Wholly Owned Restricted Subsidiary shall become due and payable to the payment and performance of such Wholly Owned Restricted Subsidiary s

obligations under its Guarantee; provided further that (a) any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to Salem Holding or a Wholly Owned Restricted Subsidiary of Salem Holding or pledge to or for the benefit of the lenders under the Bank Credit Agreement) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (vi) and (b) any transaction pursuant to which any Wholly Owned Restricted Subsidiary of Salem Holding, which has Indebtedness owing to Salem Holding or any other Wholly Owned Restricted Subsidiary of Salem Holding, ceases to be a Wholly Owned Restricted Subsidiary of Salem Holding shall be deemed to be the incurrence of Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause (vi);

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

(viii) obligations of Salem Holding entered into in the ordinary course of business pursuant to Interest Rate Agreements in respect of Indebtedness of Salem Holding as long as such obligations at the time incurred do not exceed the aggregate principal amount of such Indebtedness then outstanding or in good faith anticipated to be outstanding within 90 days of such occurrence;

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

does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness;

(x) the guarantee by Salem Holding or any Restricted Subsidiary Guarantor of Indebtedness of Salem Holding or a Restricted Subsidiary of Salem Holding that was permitted to be incurred pursuant to another provision of this covenant; and

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

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (i) through (xi) above or is entitled to be incurred pursuant to the first paragraph of this covenant, Salem Holding shall, in its sole discretion, classify (or later reclassify) such item of Indebtedness in any manner that complies with this covenant. Accrual of interest, accretion or amortization of original issue discount and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this covenant.

Limitation on Restricted Payments. (a) Salem Holding will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

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

(ii) purchase, redeem or otherwise acquire or retire for value, directly or indirectly, any Equity Interest of Salem Holding or any Affiliate thereof (except Equity Interests held by Salem Holding or any of its Wholly Owned Restricted Subsidiaries);

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

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

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

(vi) make any Investment in any Person (other than any Permitted Investments)

(any of the foregoing payments described in clauses (i) through (vi), other than any such action that is a Permitted Payment, collectively, Restricted Payments) unless after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than cash, as determined by the Board of Directors of Salem Holding, whose determination shall be conclusive and evidenced by a board resolution):

(1) no Default or Event of Default shall have occurred and be continuing and such Restricted Payment shall not be an event which is, or after notice or lapse of time or both, would be, an event of default under the terms of any Indebtedness of Salem Holding or its Restricted Subsidiaries; and

(2) the aggregate amount of all such Restricted Payments declared or made (x) by Parent after the date of the Existing Indenture to but not including the Succession Date (references to Salem Holding in the foregoing clauses (i) through (vi) being deemed to refer to Parent for purposes of calculating the amount of such payments declared or made during such period by Parent) and (y) by Salem Holding from and including the Succession Date, does not exceed the sum of:

(A) an amount equal to Cumulative Operating Cash Flow less 1.4 times Cumulative Consolidated Interest Expense and

(B) the aggregate amount of (x) Parent Equity Sale Proceeds plus (y) the aggregate amount of Net Cash Proceeds received by Salem Holding after the Succession Date from capital contributions (other than from a Subsidiary) or from the issuance or sale (other than to any of its Subsidiaries) of its Qualified Equity Interests (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Equity Interests or Subordinated Indebtedness as set forth below).

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

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment would be permitted by the provisions of the preceding paragraph (a) and such payment shall be deemed to have been paid on such date of declaration for purposes of the calculation required by the preceding paragraph (a);

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

(iii) the repurchase, redemption, or other acquisition or retirement of any Equity Interests of Salem Holding in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege pursuant to which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to a Subsidiary) of

other Qualified Equity Interests of Salem Holding; provided that the Net Cash Proceeds from the issuance of such Qualified Equity Interests are excluded from clause (2)(B) of the preceding paragraph (a);

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

(v) the repurchase, redemption, defeasance, retirement, refinancing or acquisition for value or payment of principal of any Subordinated Indebtedness (other than Disqualified Equity Interests) (a refinancing) through the issuance of new Subordinated Indebtedness of Salem Holding, as the case may be; provided that any such new Indebtedness

(1) shall be in a principal amount that does not exceed the principal amount so refinanced or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration or acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (I) the stated amount of any premium, interest or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium, interest or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of Salem Holding incurred in connection with such refinancing;

(2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the Notes;

(3) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Notes; and

(4) is expressly subordinated in right of payment to the Notes at least to the same extent as the Indebtedness to be refinanced.

Limitation on Transactions with Affiliates. Salem Holding will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with any Affiliate of Salem Holding (other than Salem Holding or a Wholly Owned Restricted Subsidiary of Salem Holding) unless

(A) such transaction or series of transactions is in writing on terms that are no less favorable to Salem Holding or such Restricted Subsidiary, as the case may be, than would be available in a comparable transaction in arm s-length dealings with an unrelated third party and

(B) (a) with respect to any transaction or series of transactions involving aggregate payments in excess of $1.0 million Salem Holding delivers an officers certificate to the Trustee certifying that such transaction or series of related transactions complies with the provisions of the immediately preceding bullet item and such transaction or series of related transactions has been approved by a majority of the members of the Board of Directors of Salem Holding (and approved by a majority of Independent Directors or, in the event there is only one Independent Director, by

such Independent Director) and (b) with respect to any transaction or series of transactions involving aggregate payments in excess of $5.0 million, an opinion as to the fairness to Salem Holding or such Restricted Subsidiary from a financial point of view issued by an investment banking firm of national standing.

Notwithstanding the foregoing, this provision will not apply to

(1) any transaction with an officer or director of Salem Holding entered into in the ordinary course of business (including compensation or employee benefit arrangements with any officer or director of Salem Holding),

(2) any transaction entered into by Salem Holding or one of its Wholly Owned Restricted Subsidiaries with a Wholly Owned Restricted Subsidiary of Salem Holding,

(3) transactions in existence on the date of the Indenture and any renewal, replacement or extension thereof on substantially similar terms, and

(4) any Permitted Payment.

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

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

(a) any Lien existing as of the date of the Indenture;

(b) any Lien arising by reason of

(1) any judgment, decree or order of any court, so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired;

(2) taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith;

(3) security for payment of workers compensation or other insurance;

(4) good faith deposits in connection with tenders, leases and contracts (other than contracts for the payment of money);

(5) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of property material to the operation of the business of Salem Holding or any of its Subsidiaries or the value of such property for the purpose of such business;

(6) deposits to secure public or statutory obligations, or in lieu of surety or appeal bonds;

(7) certain surveys, exceptions, title defects, encumbrances, easements, reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph or telephone lines and other similar purposes or zoning or other restrictions as to the use of real property not interfering with the ordinary conduct of the business of Salem Holding or any of its Subsidiaries; or

(8) operation of law in favor of mechanics, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof;

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

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

(e) any Lien securing Permitted Subsidiary Indebtedness; and

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

Limitation on Sale of Assets.

(a) Salem Holding will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless: (i) at least 80% of the consideration from such Asset Sale is received in cash, provided that (x) the amount of liabilities (excluding any contingent liabilities) assumed by the transferee or (y) any notes or other obligations received by Salem Holding or such Restricted Subsidiary and converted into cash within 90 days following the receipt thereof shall be deemed to be cash, and (ii) Salem Holding or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets sold (other than in the case of an involuntary Asset Sale, as determined by the Board of Directors of Salem Holding and evidenced in a board resolution).

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

(c) When the aggregate amount of Excess Proceeds equals $5.0 million or more, Salem Holding shall apply the Excess Proceeds to the repayment of the Notes and any Pari Passu Indebtedness required to be repurchased under the instrument governing such Pari Passu Indebtedness as follows:

(1) Salem Holding shall make an offer to purchase (an Offer) from all holders of the Notes in accordance with the procedures set forth in the Indenture in the maximum principal amount (expressed as a multiple of $1,000) of Notes that may be purchased out of an amount (the Note Amount) equal to the product of such Excess Proceeds (less any amounts used to pay reasonable fees and expenses connected with such Offer and any Pari Passu Offer) multiplied by a fraction, the numerator of which is the outstanding principal amount of the Notes, and the denominator of which is the sum of the outstanding principal amount of the Notes and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price of all Notes tendered) and

(2) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, Salem Holding shall make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a Pari Passu Offer) in an amount (the Pari Passu Debt Amount) equal to the excess of the Excess Proceeds (less any amounts used to pay reasonable fees and expenses connected with such Offer and any Pari Passu

Offer) over the Note Amount, provided that in no event shall the Pari Passu Debt Amount exceed the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness.

The offer price shall be payable in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date (the Offer Date) such Offer is consummated (the Offered Price), in accordance with the procedures set forth in the Indenture.

To the extent that the aggregate Offered Price of the Notes tendered pursuant to the Offer is less than the Note Amount relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased is less than the Pari Passu Debt Amount (the amount of such shortfall, if any, constituting a Deficiency), Salem Holding shall use such Deficiency in the business of Salem Holding and its Restricted Subsidiaries. Upon completion of the purchase of all the Notes tendered pursuant to an Offer and repurchase of the Pari Passu Indebtedness pursuant to a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) Pending the final application of any Net Cash Proceeds, Salem Holding may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the Indenture.

(e) If Salem Holding becomes obligated to make an Offer as described above, the Notes shall be purchased by Salem Holding, at the option of the holder thereof, in whole or in part, in integral multiples of $1,000, on a date that is not earlier than 45 days and not later than 60 days from the date the notice is given to holders, subject to proration in the event the Note Amount is less than the aggregate Offered Price of all Notes tendered.

(f) Salem Holding shall comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, Salem Holding shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the covenant described hereunder by virtue thereof.

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

Limitation on Asset Swaps. Salem Holding will not, and will not permit any of its Restricted Subsidiaries to, engage in Asset Swaps, unless:

(a) at the time of entering into such Asset Swap, and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and

(b) Salem Holding or such Restricted Subsidiary receives consideration at the time of such Asset Swap at least equal to the Fair Market Value of the properties or assets exchanged as determined in writing by a nationally recognized investment banking or appraisal firm.

Limitation on Issuances of Guarantees of and Pledges for Indebtedness.

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

(b) Salem Holding will not permit any of its Restricted Subsidiaries, other than the Restricted Subsidiary Guarantors, directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Indebtedness of Salem Holding (other than guarantees

in existence on the date of the Indenture) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of the Notes on the same terms as the guarantee of such Indebtedness, except that, if the Notes are subordinated in right of payment to such Indebtedness, the guarantee under the supplemental indenture shall be subordinated to the guarantee of such Indebtedness to the same extent as the Notes are subordinated to such Indebtedness under the Indenture.

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

(d) Any Guarantee by any Restricted Subsidiary of Salem Holding or by any Parent Subsidiary Guarantor shall provide by its terms that it shall be automatically and unconditionally released and discharged upon:

(i) any sale, exchange or transfer to any Person not an Affiliate of Parent, of all of Salem Holding s or Parent s direct or indirect Equity Interest in, or all or substantially all the assets of, such Restricted Subsidiary or such Parent Subsidiary Guarantor, as the case may be, which is in compliance with the Indenture or

(ii) the release by the holders of the Indebtedness of Salem Holding described in clauses (a), (b) and (c) above of their security interest or their guarantee by such Restricted Subsidiary of Salem Holding or by such Parent Subsidiary Guarantor, as the case may be, including any deemed release upon

payment in full of all obligations under such Indebtedness, at a time when (A) no other Indebtedness of Salem Holding has been secured or guaranteed by such Restricted Subsidiary of Salem Holding or such Parent Subsidiary Guarantor, as the case may be, or (B) the holders of all such other Indebtedness which is secured or guaranteed by such Restricted Subsidiary of Salem Holding or such Parent Subsidiary Guarantor, as the case may be, also release their security interest in, or guarantee by, such Restricted Subsidiary of Salem Holding or such Parent Subsidiary Guarantor, as the case may be (including any deemed release upon payment in full of all obligations under such Indebtedness.

Restriction on Transfer of Assets. Salem Holding and the Restricted Subsidiary Guarantors will not sell, convey, transfer or otherwise dispose of their respective assets or property to any of Salem Holding s Restricted Subsidiaries (other than any Restricted Subsidiary Guarantor), except for sales, conveyances, transfers or other dispositions made in the ordinary course of business. For purposes of this provision, any sale, conveyance, transfer, lease or other disposition of property or assets, having a Fair Market Value in excess of:

(i) $1.0 million for any sale, conveyance, transfer, leases or dispositions or series of related sales, conveyances, transfers, leases and dispositions and

(ii) $5.0 million in the aggregate for all such sales, conveyances, transfers, leases or dispositions in any fiscal year of Salem Holding

shall not be considered in the ordinary course of business ; provided that sales by Salem Holding of block program time and spot advertising time shall not be deemed not to be in the ordinary course of business solely because of the dollar volume of such sales.

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

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

If a Change of Control Offer is made, there can be no assurance that Salem Holding will have available funds sufficient to pay the Change of Control Purchase Price for all of the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. A Change of Control will also result in an event of default under the Bank Credit Agreement and could result in the acceleration of all indebtedness under the Bank Credit Agreement. See Description of Existing Indebtedness - Credit Facility. A Change of Control will also require Salem Holding to offer to repurchase the Existing Notes pursuant to the Existing Indenture. The failure of Salem Holding to make or consummate the Change of Control Offer or pay the Change of Control Purchase Price when due will result in an Event of Default under the Indenture which could, in turn, constitute a default under other Indebtedness. In such circumstances, the subordination provisions in the Indenture would likely restrict payments to the holders of the Notes.

The term all or substantially all as used in the definition of Change of Control has not been interpreted under New York law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in the event the holders of the Notes elected to exercise their rights under the Indenture and Salem

Holding elected to contest such election, there could be no assurance as to how a court interpreting New York law would interpret the phrase.

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

Change of Control means the occurrence of any of the following events:

(i) any person or group (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 40% of the total outstanding Voting Stock of Salem Holding or Parent, provided that the Permitted Holders beneficially own (as so defined) a lesser percentage of such Voting Stock than such other Person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of Salem Holding or Parent, as the case may be;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors of Salem Holding or Parent (together with any new directors whose election to such board of directors or whose nomination for election by the shareholders of Salem Holding or Parent, as the case may be, was approved by a vote of 66% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such board of directors then in office;

(iii) Salem Holding or Parent consolidates with or merges with or into any Person or conveys, transfers or leases all or substantially all of its assets to any Person, or any corporation consolidates with or merges into or with Salem Holding or Parent, in any such event pursuant to a transaction in which the outstanding Voting Stock of Salem Holding or Parent, as the case may be, is changed into or exchanged for cash, securities or other property, other than any such transaction in which the outstanding Voting Stock of Salem Holding or Parent, as the case may be, is not changed or exchanged at all (except to the extent necessary to reflect a change in the jurisdiction of incorporation of Salem Holding or Parent, as the case may be) or in which (A) the outstanding Voting Stock of Salem Holding or Parent, as the case may be, is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Disqualified Equity Interests or (y) cash, securities and other property (other than Equity Interests of the surviving corporation) in an amount which could be paid by Salem Holding as a Restricted Payment in accordance with the provisions described under - Limitation on Restricted Payments (and such amount shall be treated as a Restricted Payment subject to the provisions described under - Limitation on Restricted Payments) and (B) no person or group other than Permitted Holders owns immediately after such transaction directly or indirectly, more than the greater of (1) 40% of the 110 total outstanding Voting Stock of the surviving corporation and (2) the percentage of the outstanding Voting Stock of the surviving corporation owned, directly or indirectly, by Permitted Holders immediately after such transaction; or

(iv) Salem Holding or Parent is liquidated or dissolved or adopts a plan of liquidation or dissolution other than (in the case of Salem Holding) in a transaction which complies with the provisions described under - Consolidation, Merger, Sale of Assets.

Permitted Holders means as of the date of determination

(i) any of Stuart W. Epperson and Edward G. Atsinger III;

(ii) family members or the relatives of the Persons described in clause (i);

(iii) any trusts created for the benefit of the Persons described in clauses (i), (ii) or (iv) or any trust for the benefit of any such trust; or

(iv) in the event of the incompetence or death of any of the Persons described in clauses (i) and (ii), such Person s estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Equity Interests of Salem Holding.

Salem Holding will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, Salem Holding shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the covenant described hereunder by virtue thereof.

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

Limitation on Subsidiary Equity Interests. Salem Holding will not permit any of its Restricted Subsidiaries to issue any Equity Interests, except for:

(i) Equity Interests issued to and held by Salem Holding or a Wholly Owned Restricted Subsidiary of Salem Holding, and

(ii) Equity Interests issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary of Salem Holding, (B) such Person merges with or into a Restricted Subsidiary of Salem Holding or (C) a Restricted Subsidiary of Salem Holding merges with or into such Person; provided that such Equity Interests were not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C).

Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries. Salem Holding will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of Salem Holding to (i) pay dividends or make any other distribution on its Equity Interests, (ii) pay any Indebtedness owed to Salem Holding or a Restricted Subsidiary of Salem Holding, (iii) make any Investment in Salem Holding or a Restricted Subsidiary of Salem Holding or (iv) transfer any of its properties or assets to Salem Holding or any Restricted Subsidiary of Salem Holding; except

(a) any encumbrance or restriction pursuant to an agreement in effect on the date of the Indenture;

(b) any encumbrance or restriction, with respect to a Restricted Subsidiary of Salem Holding that is not a Subsidiary of Salem Holding on the date of the Indenture, in existence at the time such Person becomes a Restricted Subsidiary of Salem Holding and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;

(c) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a) and (b), or in this clause (c), provided that the terms and conditions of any such encumbrances or restrictions are not materially less favorable to the holders of the Notes than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced or are not more restrictive than those set forth in the Indenture;

(d) any encumbrance or restriction created pursuant to an asset sale agreement, stock sale agreement or similar instrument pursuant to which an Asset Sale permitted under - Limitations on Sale of Assets is to be consummated, so long as such restriction or encumbrance shall be effective only for a period from the execution and delivery of such agreement or instrument through a termination date not later than 270 days after such execution and delivery;

(e) any such encumbrance or restriction consisting of customary contractual non-assignment provisions in a contract entered into in the ordinary course of business, to the extent such provisions restrict the transfer of rights, duties or obligations under such contract;

(f) in the case of clause (iv) above, restrictions contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary permitted to be incurred pursuant to the covenant Limitation on Indebtedness to the extent such restrictions restrict the transfer of the property subject to such security agreements or mortgages; and

(g) any restriction imposed by applicable law.

Limitation on Unrestricted Subsidiaries. Salem Holding will not make, and will not permit any of its Restricted Subsidiaries to make, any Investments in Unrestricted Subsidiaries if, at the time thereof, the aggregate amount of such Investments would exceed the amount of Restricted Payments then permitted to be made pursuant to the Limitation on Restricted Payments covenant. Any Investments in Unrestricted Subsidiaries permitted to be made pursuant to this covenant:

(i) will be treated as the payment of a Restricted Payment in calculating the amount of Restricted Payments made by Salem Holding and

(ii) may be made in cash or property.

Provision of Financial Statements. The Indenture will provide that, whether or not Salem Holding is subject to Section 13(a) or 15(d) of the Exchange Act, Salem Holding will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which Salem Holding would have been required to file with the Commission pursuant to such Section 13(a) or 15(d) if Salem Holding were so subject, such documents to be filed with the Commission on or prior to the respective dates (the Required Filing Dates) by which Salem Holding would have been required so to file such documents if Salem Holding were so subject. Salem Holding will be deemed to have satisfied such requirements if Parent files and provides reports, documents and information of the types otherwise so required within the applicable time periods and Salem Holding is not required to file such reports, documents and information separately under the applicable rules and regulations of the Commission (after giving effect to any exemptive relief) because of the filings by Parent as long as Parent s quarterly and annual reports contain separate audited consolidated financial statements for Salem Holding and its Subsidiaries or consolidating financial information which includes separate condensed consolidated financial information of Salem Holding and its Subsidiaries.

Salem Holding will also in any event:

(x) within 15 days of each Required Filing Date (i) transmit by mail to all holders, as their names and addresses appear in the Note register, without cost to such holders and (ii) file with the Trustee copies of the annual reports, quarterly reports, information and other documents which Salem Holding would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act if Salem Holding were subject to such Sections (unless such documents are filed by Parent as provided above and such documents are then so mailed to the holders and filed with the Trustee), and

(y) if filing such documents by Salem Holding (or Parent, as the case may be) with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder at Salem Holding s cost.

Additional Covenants. The Indenture will also contain covenants with respect to the following matters:

(i) payment of principal, premium and interest;

(ii) maintenance of an office or agency;

(iii) arrangements regarding the handling of money held in trust;

(iv) maintenance of corporate existence;

(v) payment of taxes and other claims;

(vi) maintenance of properties; and

(vii) maintenance of insurance.

Consolidation, Merger, Sale Of Assets

Salem Holding shall not, in a single transaction or a series of related transactions, consolidate with or merge with or into any other Person or sell assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of affiliated Persons, or permit any of its Subsidiaries to enter into any such transaction or transactions if such transaction or transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of Salem Holding and its Subsidiaries on a Consolidated basis to any other Person or group of affiliated Persons, unless at the time and after giving effect thereto:

(i) either (1) Salem Holding shall be the continuing corporation or (2) the Person (if other than Salem Holding) formed by such consolidation or into which Salem Holding is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of Salem Holding and its Subsidiaries on a Consolidated basis (the Surviving Entity) shall be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person assumes, by a supplemental indenture in a form reasonably satisfactory to the Trustee, all the obligations of Salem Holding under the Notes and the Indenture, and the Indenture shall remain in full force and effect;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect to such transaction on a pro forma basis, the Consolidated Net Worth of Salem Holding (or the Surviving Entity if Salem Holding is not the continuing obligor under the Indenture) is equal to or greater than the Consolidated Net Worth of Salem Holding immediately prior to such transaction;

(iv) immediately before and immediately after giving effect to such transaction on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such pro forma calculation), Salem Holding (or the Surviving Entity if Salem Holding is not the continuing obligor under the Indenture) could incur $1.00 of additional Indebtedness under the first paragraph of - Certain Covenants - Limitation on Indebtedness ;

(v) each Guarantor, if any, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person s obligations under the Indenture and the Notes;

(vi) if any of the property or assets of Salem Holding or any of its Subsidiaries would thereupon become subject to any Lien, the provisions of - Certain Covenants - Limitation on Liens are complied with; and

(vii) Salem Holding or the Surviving Entity shall have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers certificate and an opinion of counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, lease or other transaction and the supplemental indenture in respect thereto comply with the provisions of the Indenture and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

Each Guarantor (including Parent) will not, and Salem Holding and Parent will not permit a Restricted Subsidiary Guarantor or a Parent Subsidiary Guarantor, as the case may be, to, in a single transaction or series of related transactions merge or consolidate with or into any other corporation (other than Salem Holding or any other Guarantor) or other entity, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets on a Consolidated basis to any entity (other than Salem Holding or any other Guarantor) unless at the time and after giving effect thereto:

(i) either (1) such Guarantor shall be the continuing corporation or (2) the entity (if other than such Guarantor) formed by such consolidation or into which such Guarantor is merged or the entity which acquires by sale, assignment, conveyance, transfer, lease or disposition the properties and assets of such Guarantor shall be a corporation duly organized and validly existing under the laws of the United States, any state thereof or the District of Columbia and shall expressly assume by a supplemental indenture, executed and delivered to the Trustee, in a form reasonably satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee and the Indenture;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing, and

(iii) such Guarantor shall have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or disposition and such supplemental indenture comply with the Indenture, and thereafter all obligations of the predecessor shall terminate. The provisions of this paragraph shall not apply to any transaction (including an Asset Sale made in accordance with - Certain Covenants - Limitations on Sale of Assets) with respect to any Guarantor if the Guarantee of such Guarantor is released in connection with such transaction in accordance with paragraph (d) of - Certain Covenants - Limitations on Issuances of Guarantees of and Pledges for Indebtedness.

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

Events Of Default

An Event of Default will occur under the Indenture if:

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

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

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

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

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

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

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

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

official) of Salem Holding, any Guarantor or any Restricted Subsidiary of Salem Holding or of any substantial part of their respective properties, or ordering the winding up or liquidation of their affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(ix) (a) Salem Holding, any Guarantor or any Restricted Subsidiary of Salem Holding commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent,

(b) Salem Holding, any Guarantor or any Restricted Subsidiary of Salem Holding consents to the entry of a decree or order for relief in respect of Salem Holding, any Guarantor or such Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it,

(c) Salem Holding, any Guarantor or any Restricted Subsidiary of Salem Holding files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law,

(d) Salem Holding, any Guarantor or any Restricted Subsidiary of Salem Holding (x) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official, of Salem Holding, any Guarantor or such Restricted Subsidiary or of any substantial part of their respective property, (y) makes an assignment for the benefit of creditors or (z) admits in writing its inability to pay its debts generally as they become due or

(e) Salem Holding, any Guarantor or any Restricted Subsidiary of Salem Holding takes any corporate action in furtherance of any such actions in this paragraph (ix).

If an Event of Default (other than as specified in clauses (viii) and (ix) of the prior paragraph) shall occur and be continuing, the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes outstanding may, and the Trustee at the request of such holders shall, declare all unpaid principal of, premium, if any, and accrued interest on, all the Notes to be due and payable immediately by a notice in writing to Salem Holding (and to the Trustee if given by the holders of the Notes), provided that so long as the Bank Credit Agreement is in effect, such declaration shall not become effective until the earlier of:

(a) five business days after receipt of such notice of acceleration from the holders or the Trustee by the agent under the Bank Credit Agreement or

(b) acceleration of the Indebtedness under the Bank Credit Agreement.

Thereupon the Trustee may, at its discretion, proceed to protect and enforce the rights of the holders of Notes by appropriate judicial proceedings.

If an Event of Default specified in clause (viii) or (ix) of the first paragraph of this description of Events of Default occurs and is continuing, then all the Notes shall ipso facto become and be immediately due and payable, in an amount equal to the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date the Notes become due and payable, without any declaration or other act on the part of the Trustee or any holder. The Trustee or, if notice of acceleration is given by the holders of the Notes, the holders of the Notes shall give notice to the agent under the Bank Credit Agreement of such acceleration.

After a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of Notes outstanding, by written notice to Salem Holding and the Trustee, may rescind and annul such declaration if:

(a) Salem Holding has paid or deposited with the Trustee a sum sufficient to pay

(i) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(ii) all overdue interest on all Notes,

(iii) the principal of and premium, if any, on any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at a rate borne by the Notes and

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes; and

(b) all Events of Default, other than the non-payment of principal of the Notes which have become due solely by such declaration of acceleration, have been cured or waived.

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

Salem Holding is also required to notify the Trustee within five business days of the occurrence of any Default. Salem Holding is required to deliver to the Trustee, on or before a date not more than 60 days after the end of each quarter and not more than 120 days after the end of each fiscal year, a written statement as to compliance with the Indenture, including whether or not any default has occurred. The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the holders of the Notes unless such holders offer to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby.

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

Defeasance Or Covenant Defeasance Of Indenture

Salem Holding may, at its option, at any time, elect to have the obligations of Salem Holding, each of the Guarantors and any other obligor upon the Notes discharged with respect to the outstanding Notes (defeasance). Such defeasance means that Salem Holding, each of the Guarantors and any other obligor under the Indenture shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for:

(i) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due,

(ii) Salem Holding s obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes, and the maintenance of an office or agency for payment and money for security payments held in trust,

(iii) the rights, powers, trusts, duties and immunities of the Trustee, and

(iv) the defeasance provisions of the Indenture.

In addition, Salem Holding may, at its option and at any time, elect to have the obligations of Salem Holding and any Guarantor released with respect to certain covenants that are described in the Indenture (covenant defeasance) and any omission to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes. In the event covenant defeasance occurs, certain events (not including non-payment, enforceability of any Guarantee, bankruptcy and insolvency events) described under - Events of Default will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either defeasance or covenant defeasance,

(i) Salem Holding must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in United States dollars, U.S. Government Obligations (as defined in the

Indenture), or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of, premium, if any, and interest on the outstanding Notes on the Stated Maturity of such principal or installment of principal or interest (or on any date after July 1, 2006 (such date being referred to as the Defeasance Redemption Date), if when exercising either defeasance or covenant defeasance, Salem Holding has delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes on the Defeasance Redemption Date);

(ii) in the case of defeasance, Salem Holding shall have delivered to the Trustee an opinion of independent counsel in the United States stating that

(A) Salem Holding has received from, or there has been published by, the Internal Revenue Service a ruling or

(B) since the date of the Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such opinion of independent counsel in the United States shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred;

(iii) in the case of covenant defeasance, Salem Holding shall have delivered to the Trustee an opinion of independent counsel in the United States to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; (iv) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as clause (viii) or (ix) under the first paragraph under - Events of Default are concerned, at any time during the period ending on the 91st day after the date of deposit;

(v) such defeasance or covenant defeasance shall not cause the Trustee for the Notes to have a conflicting interest with respect to any securities of Salem Holding or any Guarantor;

(vi) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, the Indenture or any other material agreement or instrument to which Salem Holding or any Guarantor is a party or by which it is bound,

(vii) Salem Holding shall have delivered to the Trustee an opinion of independent counsel to the effect that

(A) the trust funds will not be subject to any rights of holders of Senior Indebtedness or Guarantor Senior Indebtedness, including, without limitation, those arising under the Indenture and

(B) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors rights generally;

(viii) Salem Holding shall have delivered to the Trustee an officers certificate stating that the deposit was not made by Salem Holding with the intent of preferring the holders of the Notes or any Guarantee over the other creditors of Salem Holding or any Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of Salem Holding, any Guarantor or others;

(ix) no event or condition shall exist that would prevent Salem Holding from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at any time ending on the 91st day after the date of such deposit; and

(x) Salem Holding shall have delivered to the Trustee an officers certificate and an opinion of independent counsel, each stating that all conditions precedent provided for relating to either the defeasance or the covenant defeasance, as the case may be, have been complied with.

Satisfaction And Discharge

The Indenture will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes, and certain other rights as expressly provided for in the Indenture) as to all outstanding Notes when

(a) either

(i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid) have been delivered to the Trustee for cancellation or

(ii) all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, or (y) will become due and payable at their Stated Maturity within one year, or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of Salem Holding and Salem Holding or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, including principal of, premium, if any, and accrued interest at such Stated Maturity or redemption date,

(c) Salem Holding or any Guarantor has paid or caused to be paid all other sums payable under the Indenture by Salem Holding or any Guarantor, and

(d) Salem Holding has delivered to the Trustee an officers certificate and an opinion of counsel stating that

(A) all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with and

(B) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which Salem Holding or any Guarantor is a party or by which Salem Holding or any Guarantor is bound.

Modifications And Amendments

From time to time, Salem Holding, the Guarantors and the Trustee, without the consent of the holders of Notes, may amend the Indenture for certain specified purposes, including curing ambiguities, defects or inconsistencies. Other modifications and amendments of the Indenture may be made by Salem Holding, the Guarantors and the Trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Notes; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby:

(i) change the Stated Maturity of the principal of, or any installment of interest on, any Note or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any Note or any premium or

the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the Stated Maturity thereof (or in the case of redemption, on or after the redemption date);

(ii) amend, change or modify the obligation of Salem Holding to make and consummate an Offer with respect to any Asset Sale or Asset Sales in accordance with - Certain Covenants - Limitation on Sale of Assets or the obligation of Salem Holding to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with - Certain Covenants - Purchase of Notes Upon a Change of Control, including amending, changing or modifying any definitions with respect thereto;

(iii) reduce the percentage in principal amount of outstanding Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults or with respect to any Guarantee;

(iv) modify any of the provisions relating to supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby;

(v) except as otherwise permitted under - Consolidation, Merger, Sale of Assets, consent to the assignment or transfer by Salem Holding or any Guarantor of any of its rights and obligations under the Indenture; or

(vi) amend or modify any of the provisions of the Indenture relating to the subordination of the Notes or any Guarantee in any manner adverse to the holders of the Notes or any Guarantee.

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

Governing Law

The Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with the laws of the State of New York.

Certain Definitions

Acquired Indebtedness means Indebtedness of a Person

(i) existing at the time such Person becomes a Subsidiary or

(ii) assumed in connection with the acquisition of assets from such Person,

in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

Affiliate means, with respect to any specified Person,

(i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person,

(ii) any other Person that owns, directly or indirectly, 5% or more of such Person s Equity Interests or any officer or director of any such Person or other Person or, with respect to any natural Person, any person having a relationship with such Person or other Person by blood, marriage or adoption not more remote than first cousin or

(iii) any other Person 10% or more of the voting Equity Interests of which are beneficially owned or held directly or indirectly by such specified person.

For the purposes of this definition, control when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms controlling and controlled have meanings correlative to the foregoing.

Asset Sale means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or Sale and Leaseback Transaction) (collectively, a transfer), directly or indirectly, in one or a series of related transactions, of

(i) any Equity Interest of any Restricted Subsidiary of Salem Holding (other than directors qualifying shares and, to the extent required by local ownership laws in foreign countries, shares owned by foreign shareholders);

(ii) all or substantially all of the properties and assets of any division or line of business of Salem Holding or its Restricted Subsidiaries; or

(iii) any other properties or assets of Salem Holding or any of its Restricted Subsidiaries, other than in the ordinary course of business.

For the purposes of this definition, the term Asset Sale shall not include any transfer of properties and assets

(A) that is governed by the provisions described under - Consolidation, Merger, Sale of Assets or Limitations on Asset Swaps,

(B) that is by Salem Holding to any Wholly Owned Restricted Subsidiary of Salem Holding, or by any Restricted Subsidiary of Salem Holding to Salem Holding or any Wholly Owned Restricted Subsidiary of Salem Holding, in accordance with the terms of the Indenture,

(C) that aggregates not more than $1.0 million in gross proceeds, or

(D) any Restricted Payments permitted under the covenant described in Limitation on Restricted Payments or any Permitted Investment.

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

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

Bank Credit Agreement means the Fourth Amended and Restated Credit Agreement, dated as of June 15, 2001, among Salem Holding, the lenders named therein and The Bank of New York as administrative agent, as such agreement may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including, without limitation, any successive renewals, extensions substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing). For all purposes under the Indenture, Bank Credit Agreement shall include any amendments, renewals, extensions, substitutions, refinancings, restructurings, replacements, supplements or any other modifications that increase the principal amount of the Indebtedness or the commitments to lend thereunder and have been made in compliance with - Certain Covenants - Limitation on Indebtedness ; provided that, for purposes of the definition of Permitted Indebtedness in the covenant entitled Limitation on Indebtedness, no such increase may result in

the principal amount of Indebtedness of Salem Holding under the Bank Credit Agreement that is permitted to be incurred pursuant to clause (i) of the definition of Permitted Indebtedness to exceed the amount specified in such clause (i).

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

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

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

Consolidated Interest Expense means, with respect to any Person for any period, without duplication, the sum of

(a) the interest expense of such Person and its Consolidated Restricted Subsidiaries for such period, on a Consolidated basis, including, without limitation,

(i) amortization of debt discount,

(ii) the net cost under Interest Rate Agreements (including amortization of discounts),

(iii) the interest portion of any deferred payment obligation

(iv) and accrued interest, plus

(b) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person during such period, and all capitalized interest of such Person and its Consolidated Restricted Subsidiaries, in each case as determined in accordance with GAAP consistently applied.

Consolidated Net Income means, with respect to any Person for any period, the Consolidated net income (or loss) of such Person and its Consolidated Restricted Subsidiaries for such period as determined in accordance with GAAP consistently applied, adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication,

(i) all extraordinary gains but not losses (less all fees and expenses relating thereto),

(ii) the portion of net income (or loss) of such Person and its Consolidated Restricted Subsidiaries allocable to interests in unconsolidated Persons or Unrestricted Subsidiaries, except to the extent of the amount of dividends or distributions actually paid to such Person or its Consolidated Restricted Subsidiaries by such other Person during such period,

(iii) net income (or loss) of any other Person combined with such Person or any of its Restricted Subsidiaries on a pooling of interests basis attributable to any period prior to the date of combination,

(iv) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan,

(v) net gains but not losses (less all fees and expenses relating thereto) in respect of dispositions of assets other than in the ordinary course of business, or

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

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

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

Cumulative Consolidated Interest Expense means, as of any date of determination, Consolidated Interest Expense of (x) Parent from the date of the Existing Indenture to but not including the Succession Date and (y) Salem Holding from and including the Succession Date to the end of Salem Holding s most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

Cumulative Operating Cash Flow means, as of any date of determination, Operating Cash Flow of (x) Parent from the date of the Existing Indenture to but not including the Succession Date and (y) Salem Holding from and including the Succession Date to the end of Salem Holding s most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

Debt to Operating Cash Flow Ratio means, as of any date of determination, the ratio of (a) the aggregate principal amount of all outstanding Indebtedness of Salem Holding and its Restricted Subsidiaries as of such date on a Consolidated basis plus the aggregate liquidation preference or redemption amount of all Disqualified Equity Interests of Salem Holding (excluding any such Disqualified Equity Interests held by Salem Holding or a Wholly Owned Restricted Subsidiary of Salem Holding), to (b) Operating Cash Flow of Salem Holding and its Restricted Subsidiaries on a Consolidated basis for the four most recent full quarters ending immediately prior to such date, determined on a pro forma basis (and after giving pro forma effect to:

(i) the incurrence of such Indebtedness and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, at the beginning of such four-quarter period;

(ii) the incurrence, repayment or retirement of any other Indebtedness by Salem Holding and its Restricted Subsidiaries since the first day of such four-quarter period as if such Indebtedness was incurred, repaid or retired at the beginning of such four-quarter period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average balance of such Indebtedness at the end of each month during such four-quarter period);

(iii) in the case of Acquired Indebtedness, the related acquisition, as if such acquisition had occurred at the beginning of such four-quarter period; and

(iv) any acquisition or disposition by Salem Holding and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, or any related repayment of Indebtedness, in each case since the first day of such four-quarter period, assuming such acquisition, disposition or repayment had been consummated on the first day of such four-quarter period).

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

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

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

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

Existing Indenture means the Indenture, dated September 25, 1997, among Parent, the guarantors party thereto and The Bank of New York as trustee, as supplemented by Supplemental Indenture No. 1, dated as of March 31, 1999, by and between Parent, the guarantors party thereto and The Bank of New York as trustee and by Supplemental Indenture No. 2, dated as of August 24, 2000, by and between Parent, Salem Holding, the guarantors party thereto and The Bank of New York as trustee, pursuant to which the Existing Notes were issued.

Existing Notes means the 9 1/2% Senior Subordinated Notes of Salem Holding (as successor issuer to Parent) due October 1, 2007 issued pursuant to the Existing Indenture and outstanding as of the date of the Indenture.

Existing Notes Guarantee means the guarantee by Parent or any of its Subsidiaries of the obligations of Salem Holding and any other obligor under the Existing Indenture or under the Existing Notes, pursuant to a guarantee given in accordance with the Existing Indenture.

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

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

Guarantee means the guarantee by any Guarantor of Salem Holding s Indenture Obligations pursuant to a guarantee given in accordance with the Indenture.

Guaranteed Debt of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of Indebtedness guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement:

(i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness,

(ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss,

(iii) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered),

(iv) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or

(v) otherwise to assure a creditor against loss;

provided that the term guarantee shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

Guarantor means each Person listed as a guarantor in the Indenture or any other guarantor of the Indenture Obligations. As of the date of the Indenture, the Guarantors consist of Parent and all of Parent s Subsidiaries (other than Salem Holding).

Indebtedness means, with respect to any Person, without duplication,

(i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities and in connection with any agreement to purchase, redeem, exchange, convert or otherwise acquire for value any Equity Interests of such Person, or any warrants, rights or options to acquire such Equity Interests, now or hereafter outstanding,

(ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments,

(iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business,

(iv) all obligations under Interest Rate Agreements of such Person,

(v) all Capital Lease Obligations of such Person,

(vi) all Indebtedness referred to in clauses (i) through (v) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness,

(vii) all Guaranteed Debt of such Person,

(viii) all Disqualified Equity Interests valued at the greater of their voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends, and

(ix) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (viii) above.

The amount of Indebtedness of any Person at any date shall be, without duplication, the principal amount that would be shown on a balance sheet of such Person prepared as of such date in accordance with GAAP and the maximum determinable liability of any Guaranteed Debt referred to in clause (vii) above at such date; provided, however, that the amount outstanding at any time of any Indebtedness issued with original issue discount shall be deemed to be the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP. The Indebtedness of Salem Holding and its Restricted Subsidiaries shall not include any Indebtedness of Unrestricted Subsidiaries so long as such Indebtedness

is non-recourse to Salem Holding and its Restricted Subsidiaries. For purposes hereof, the maximum fixed repurchase price of any Disqualified Equity Interests which do not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Equity Interests as if such Disqualified Equity Interests were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Equity Interests, such Fair Market Value to be determined in good faith by the Board of Directors of the issuer of such Disqualified Equity Interests.

Indenture Obligations means the obligations of Salem Holding and any other obligor under the Indenture or under the Notes, including any Guarantor, to pay principal, premium, if any, and interest when due and payable, and all other amounts due or to become due under or in connection with the Indenture, the Notes and the performance of all other obligations to the Trustee and the holders under the Indenture and the Notes, according to the terms thereof.

Independent Director means a director of Salem Holding other than a director

(i) who (apart from being a director of Parent, Salem Holding or any Subsidiary) is an employee, insider, associate or Affiliate of Parent, Salem Holding or a Subsidiary or has held any such position during the previous five years or

(ii) who is a director, an employee, insider, associate or Affiliate of another party to the transaction in question.

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

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

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

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

Net Cash Proceeds means

(a) with respect to any Asset Sale by any Person, the proceeds thereof in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to Salem Holding or any Restricted Subsidiary of Salem Holding) net of

(i) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale,

(ii) provisions for all taxes payable as a result of such Asset Sale,

(iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale or would cause a required repayment under the Bank Credit Agreement,

(iv) amounts required to be paid to any Person (other than Salem Holding or any Restricted Subsidiary of Salem Holding) owning a beneficial interest in the assets subject to the Asset Sale and

(v) appropriate amounts to be provided by Salem Holding or any Restricted Subsidiary of Salem Holding, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by Salem Holding or any Restricted Subsidiary of Salem Holding, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers certificate delivered to the Trustee

and

(b) with respect to any issuance or sale of Equity Interests by any Person, or debt securities or Equity Interests of such Person that have been converted into or exchanged for Equity Interests, as referred to under - Certain Covenants - Limitation on Restricted Payments, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to such Person or any Restricted Subsidiary), net of attorney s fees, accountant s fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

Operating Cash Flow means, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, plus

(a) extraordinary net losses and net losses on sales of assets outside the ordinary course of business during such period, to the extent such losses were deducted in computing Consolidated Net Income, plus

(b) provision for taxes based on income or profits, to the extent such provision for taxes was included in computing such Consolidated Net Income, and any provision for taxes utilized in computing the net losses under the immediately preceding clause hereof, plus

(c) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period, plus

(d) depreciation, amortization and all other non-cash charges, to the extent such depreciation, amortization and other non-cash charges were deducted in computing such Consolidated Net Income (including amortization of goodwill and other intangibles).

Parent means Salem Communications Corporation, a Delaware corporation, the parent of Salem Holding, and any successor Person succeeding to the direct or indirect ownership of Salem Holding.

Parent Equity Sale Proceeds means the aggregate amount of Net Cash Proceeds received by Parent after the date of the Existing Indenture to but not including the Succession Date from capital contributions (other than from any of its Subsidiaries) or from the issuance or sale (other than to any of its Subsidiaries) of its Qualified Equity Interests (except, in each case, to the extent such proceeds were used to purchase, redeem or otherwise retire Equity Interests or Subordinated Indebtedness).

Parent Subsidiary Guarantor means any Subsidiary of Parent that is a Guarantor of the Notes other than a Restricted Subsidiary Guarantor. Pari Passu Indebtedness means the Existing Notes or any Existing Notes Guarantee, as the case may be, and any other Indebtedness of Salem Holding or any Guarantor that is pari passu in right of payment to the Notes or any Guarantee, as the case may be.

Permitted Investments means any of the following:

(i) Temporary Cash Investments;

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

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

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

(v) Investments in existence on the date of the Indenture; - Direct or indirect loans to employees, or to a trustee for the benefit of such employees, of Salem Holding or any of its Restricted Subsidiaries in an aggregate amount outstanding at any time not exceeding $1.0 million;

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

(vii) Interest Rate Agreements entered into in the ordinary course of Salem Holding s or a Restricted Subsidiary s business in compliance with the covenant described in Limitation on Indebtedness ; and

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

Permitted Non-Commercial Educational Station Investment means a loan made by Salem Holding or a Restricted Subsidiary of Salem Holding to a non-profit entity, the proceeds of which are used to acquire assets used in the operation of a radio station; provided that so long as any such Investment remains outstanding

(i) such loan shall be evidenced by a promissory note and shall not be subordinated to any other Indebtedness of such non-profit entity;

(ii) at least 40% of the board seats (or other comparable governing body) of such non-profit entity shall be held by executive officers of Salem Holding; and

(iii) a technical and professional services agreement shall be in full force and effect between such non-profit entity and Salem Holding pursuant to which Salem Holding shall be compensated for providing engineering, accounting, legal and other assistance in connection with the operation of the station licensed to such non-profit entity (which agreement shall contain customary terms and conditions for technical and professional services agreements in the radio broadcasting industry generally).

Permitted Subsidiary Indebtedness means:

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

(ii) Indebtedness of any Restricted Subsidiary Guarantor

(a) issued to finance or refinance the purchase or construction of any assets of such Restricted Subsidiary Guarantor or

(b) secured by a Lien on any assets of such Restricted Subsidiary Guarantor where the lender s sole recourse is to the assets so encumbered,

in either case (x) to the extent the purchase or construction prices for such assets are or should be included in property and equipment in accordance with GAAP and (y) if the purchase or construction of such assets is not part of any acquisition of a Person or business unit.

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

Preferred Equity Interest means, as applied to the Equity Interest of any Person, an Equity Interest of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over Equity Interests of any other class of such Person.

Public Equity Offering means, with respect to any Person, an underwritten public offering by such Person of some or all of its Equity Interests (other than Disqualified Equity Interests), the net proceeds of which (after deducting any underwriting discounts and commissions) (x) to Salem Holding or (y) received by Salem Holding as a capital contribution from Parent, as the case may be, exceed $10.0 million.

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

Restricted Subsidiary of a Person means any Subsidiary of such Person other than an Unrestricted Subsidiary.

Restricted Subsidiary Guarantor means any Guarantor of the Notes that is a Restricted Subsidiary of Salem Holding.

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

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

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

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

Subordinated Indebtedness means Indebtedness of Salem Holding or any Guarantor subordinated in right of payment to the Notes or any Guarantee, as the case may be and, with respect to Parent for the period from the date of the Existing Indenture to but not including the Succession Date, Indebtedness subordinated in right of payment to the Existing Notes.

Subsidiary means, with respect to any Person, any corporation, limited liability company, partnership, joint venture, association or other business entity a majority of the equity ownership or the Voting Stock of which is at the time owned, directly or indirectly, by such Person or by one or more other Subsidiaries of such Person, or by such Person and one or more of its other Subsidiaries.

Succession Date means August 24, 2000, the date that Salem Holding became the successor obligor to Parent with respect to the Existing Notes pursuant to the Existing Indenture.

Temporary Cash Investments means

(i) any evidence of Indebtedness, maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the United States of America;

(ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution (including the Trustee) that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500.0 million, whose debt has a rating, at the time as of which any investment therein is made, of P-1 (or higher) according to Moody s Investors Service, Inc. (Moody s) or any successor rating agency or A-1 (or higher) according to Standard & Poor s Corporation (S&P) or any successor rating agency;

(iii) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of Salem Holding, but including the Trustee) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of P-1 (or higher) according to Moody s or A-1 (or higher) according to S&P;

(iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500.0 million;

(v) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody s;

(vi) repurchase obligations with a term of not more than 31 days for underlying securities of the types described in clause (i) above entered into with any bank meeting the qualifications specified in clause (ii) above; and

(vii) investments in money market funds which invest substantially all their assets in securities of the types described in clauses (i) through (vi) above.

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

Unrestricted Subsidiary means

(i) any Subsidiary of Salem Holding that at the time of determination shall be an Unrestricted Subsidiary (as designated by the Board of Directors of Salem Holding, as provided below) and

(ii) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of Salem Holding may designate any Subsidiary of Salem Holding (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary if all of the following conditions apply:

(i) such Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness and

(ii) any Investment in such Subsidiary made as a result of designating such Subsidiary an Unrestricted Subsidiary shall not violate the provisions of the - Certain Covenants - Limitation on Unrestricted Subsidiaries covenant.

Any such designation by the Board of Directors of Salem Holding shall be evidenced to the Trustee by filing with the Trustee a board resolution giving effect to such designation and an officers certificate certifying that such designation complies with the foregoing conditions. The Board of Directors of Salem Holding may designate any Unrestricted Subsidiary as a Restricted Subsidiary; provided that immediately after giving effect to such designation, Salem Holding could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the restrictions under the - Certain Covenants - Limitation on Indebtedness covenant.

Unrestricted Subsidiary Indebtedness of any Unrestricted Subsidiary means Indebtedness of such Unrestricted Subsidiary

(i) as to which neither Salem Holding nor any Restricted Subsidiary is directly or indirectly liable (by virtue of Salem Holding or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness), except Guaranteed Debt of Salem Holding or any Restricted Subsidiary to any Affiliate, in which case (unless the incurrence of such Guaranteed Debt resulted in a Restricted Payment at the time of incurrence) Salem Holding shall be deemed to have made a Restricted Payment equal to the principal amount of any such Indebtedness to the extent guaranteed at the time such Affiliate is designated an Unrestricted Subsidiary and

(ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any holder of any Indebtedness of Salem Holding or any Restricted Subsidiary to declare, a default on such Indebtedness of Salem Holding or any Restricted Subsidiary or cause the payment thereof to be accelerated or payable prior to its Stated Maturity.

Voting Stock means stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

Wholly Owned Restricted Subsidiary means, with respect to any Person, a Restricted Subsidiary of such Person all the Equity Interests of which are owned by such Person or another Wholly Owned Restricted Subsidiary of such Person. As of the date of the Indenture, the Wholly Owned Restricted Subsidiaries of Salem Holding will consist of all of Salem Holding s Subsidiaries.

DESCRIPTION OF OTHER DEBT SECURITIES

Subject to compliance with Salem Holding's bank credit agreement and the applicable indenture, Salem Holding may issue senior or subordinated debt securities. The senior debt securities will constitute part of Salem Holding's senior debt, will be issued under a senior debt indenture, and will rank on a parity with all of Salem Holding's other unsecured and unsubordinated debt. The subordinated debt securities will be issued under a subordinated debt indenture, and will be subordinate and junior in right of payment, as set forth in the subordinated debt indenture, to all of Salem Holding's senior indebtedness. If this prospectus is being delivered in connection with a series of subordinated debt securities, the accompanying prospectus supplement or the information incorporated in this prospectus by reference will indicate the approximate amount of Salem Holding's senior indebtedness outstanding as of the end of the most recent fiscal quarter. The senior debt indenture and subordinated debt indenture are referred to in this description individually as an indenture and collectively as the indentures.

The forms of the indentures are exhibits to the registration statement filed with the SEC, of which this prospectus is a part.

We have summarized below the material provisions of the indentures and the debt securities, or indicated which material provisions will be described in the related prospectus supplement. These descriptions are only summaries, and each investor should refer to the applicable

indenture, which describes completely the terms and definitions summarized below and contains additional information regarding the debt securities. Any reference to particular sections or defined terms of the applicable indenture in any statement under this heading qualifies the entire statement and incorporates by reference the applicable section or definition into that statement.

General

The debt securities that Salem Holding may offer under the indentures are not limited in aggregate principal amount. Salem Holding may issue debt securities at one or more times in one or more series. Each series of debt securities may have different terms. The terms of any series of debt securities will be described in, or determined by action taken pursuant to, a resolution of Salem Holding's board of directors or in a supplement to the indenture relating to that series.

The prospectus supplement, including any related pricing supplement, relating to any series of debt securities that Salem Holding may offer will state the price or prices at which the debt securities will be offered, and will contain the specific terms of that series. These terms may include the following:

- the title of the series of debt securities;
- whether the debt securities are senior debt securities or subordinated debt securities or any combination thereof;
- the purchase price, denomination and any limit on the aggregate principal amount of the debt securities;
- the date or dates on which principal and premium, if any, on the debt securities will be payable;
- the terms and conditions, if any, under which the debt securities may be converted into or exchanged for other securities;
- the rate or rates at which the debt securities will bear interest, if any, or the method of calculating the rate or rates of interest, whether the interest on the debt securities will be paid in the form of additional debt securities and if so, the terms and provisions for the payment of those additional debt securities, including the method for calculating the amount of additional debt securities so payable, the date or dates from which interest will accrue or the method by which the date or dates will be determined, the dates on which interest will be payable, and any regular record date for payment of interest;
- the place or places where the principal of, premium, if any, and interest on the debt securities will be payable;
- any covenants to which Salem Holding may be subject with respect to the debt securities;
- the place or places where the debt securities may be exchanged or transferred;
- the terms and conditions upon which Salem Holding may redeem the debt securities, in whole or in part, at its option;
- the terms and conditions upon which Salem Holding may be obligated to redeem or purchase the debt securities under any sinking fund or similar provisions or upon the happening of a specified event or at the option of a holder;

- the denominations in which the debt securities will be issuable, if other than denominations of $1,000 and any integral multiple of $1,000;
- if other than U.S. dollars, the currency or currencies, including the currency unit or units, in which payments of principal of, premium, if any, and interest on the debt securities will or may be payable, or in which the debt securities shall be denominated, and any particular related provisions;
- if Salem Holding or a holder may elect that payments of principal of, premium, if any, or interest on the debt securities be made in a currency or currencies, including currency unit or units, other than that in which the debt securities are denominated or designated to be payable, the currency or currencies in which such payments are to be made, including the terms and conditions applicable to any payments and the manner in which the exchange rate with respect to such payments will be determined, and any particular related provisions;
- if the amount of payments of principal of, premium, if any, and interest on debt securities are determined with reference to an index, formula or other method, which may be based, without limitation, on a currency or currencies other than that in which the debt securities are denominated or designated to be payable, the index, formula or other method by which the amounts will be determined;
- if other than the full principal amount, the portion of the principal amount of the debt securities which will be payable upon declaration of acceleration of maturity;
- the applicability of the provisions described in -Defeasance and Covenant Defeasance below;
- whether the subordination provisions summarized below or different subordination provisions will apply to any debt securities that are subordinated debt securities;
- the events of default;
- any agents for the debt securities, including trustees, depositories, authenticating or paying agents, transfer agents or registrars;

any provisions relating to the satisfaction and discharge of the debt securities;

if Salem Holding will issue the debt securities in whole or in part in the form of global securities; and

any other terms of the debt securities, whether in addition to, or by modification or deletion of, the terms described herein.

The debt securities may be offered and sold at a substantial discount below their stated principal amount and may be original issue discount securities. Original issue discount securities will bear no interest or interest at a rate below the prevailing market rate at the time of issuance. In addition, less than the entire principal amount of these securities will be payable upon declaration of acceleration of their maturity. Any United States federal income tax consequences and other special considerations applicable to any such original issue discount securities will be described in the applicable prospectus supplement.

Exchange, Registration, Transfer and Payment

Unless otherwise indicated in the applicable prospectus supplement, the principal of, premium, if any, and interest on the debt securities will be payable, and the exchange of and the transfer of debt securities will be registrable, at Salem Holding's office or agency maintained for such purpose in New York and at any other office or agency maintained for that purpose. Salem Holding will issue the debt securities in denominations of $1,000 or integral multiples of $1,000. Unless otherwise provided in the debt securities to be transferred or exchanged, no

service charge will be made for any registration of transfer or exchange of the debt securities, but Salem Holding may require payment of a sum sufficient to cover any tax or other governmental charge imposed because of the transactions.

All money paid by Salem Holding to a paying agent for the payment of principal of, premium, if any, or interest on any debt security which remains unclaimed for one year after the principal, premium or interest has become due and payable may be repaid to Salem Holding, and thereafter the holder of the debt security may look only to Salem Holding for payment of those amounts.

In the event of any redemption, Salem Holding will not be required to (a) issue, register the transfer of or exchange the debt securities of any series during a period beginning 15 days before the mailing of a notice of redemption of debt securities of that series to be redeemed and ending on the date of the mailing or (b) register the transfer of or exchange any debt security, or portion thereof, called for redemption, except the unredeemed portion of any debt security being redeemed in part.

Global Debt Securities and Book-Entry System

The following provisions will apply to the debt securities of any series, including the 9% Senior Subordinated Notes due 2011, if the prospectus supplement relating to such series so indicates.

Unless otherwise indicated in the applicable prospectus supplement, the debt securities of that series will be issued in book-entry form and will be represented by one or more global securities registered in the name of The Depository Trust Company, New York, or its nominee. This means that Salem Holding will not issue certificates to each holder. Each global security will be issued to DTC, which will keep a computerized record of its participants, such as your broker, whose clients have purchased debt securities. Each participant will then keep a record of its clients who purchased the debt securities. Unless it is exchanged in whole or in part for a certificate, a global security may not be transferred, except that DTC, its nominees, and their successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of global securities will be made only through, records maintained by DTC and its participants. If you are not a participant in DTC, you may beneficially own debt securities held by DTC only through a participant.

The laws of some states require that certain purchasers of securities take physical delivery of the securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in a global security.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under the provisions of Section 17A of the Securities Exchange Act. DTC holds the securities that its participants deposit. DTC also records the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through computerized records for participants accounts. This eliminates the need to exchange certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The rules that apply to DTC and its participants are on file with the SEC.

DTC s book-entry system is also used by other organizations such as securities brokers and dealers, banks and trust companies that work through a participant.

DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc.

Salem Holding will wire payments of principal, premium, if any, and interest to DTC s nominee. Salem Holding and the trustee will treat DTC s nominee as the owner of the global securities for all purposes.

Accordingly, Salem Holding, the trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the global securities to owners of beneficial interests in the global securities.

It is DTC s current practice, upon receipt of any payment of principal or interest, to credit participants accounts on the payment date according to their respective holdings of beneficial interests in the global securities as shown on DTC s records. In addition, it is DTC s current practice to assign any consenting or voting rights to participants whose accounts are credited with debt securities on a record date, by using an omnibus proxy. Payments by participants to owners of beneficial interests in the global securities, and voting by participants, will be governed by the customary practices between the participants and owners of beneficial interests, as is the case with debt securities held for the account of customers registered in street name. However, payments will be the responsibility of the participants and not of DTC, the trustee or Salem Holding.

So long as DTC or its nominee is the registered owner of a global security, DTC or that nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by that global security for all purposes under the indenture. Owners of beneficial interests in a global security (a) will not be entitled to have the debt securities represented by that global security registered in their names, (b) will not receive or be entitled to receive physical delivery of the debt securities in definitive form, and (c) will not be considered the owners or holders of the debt securities under the indenture. Salem Holding will issue debt securities of any series then represented by global securities in definitive form in exchange for those global securities if:

DTC notifies Salem Holding that it is unwilling or unable to continue as depositary or if DTC ceases to be a clearing agency registered under applicable law and a successor depositary is not appointed by Salem Holding within 90 days; or
Salem Holding determines not to require all of the debt securities of a series to be represented by a global security.

If Salem Holding issues debt securities in definitive form in exchange for a global security, an owner of a beneficial interest in the global security will be entitled to have debt securities equal in principal amount to the beneficial interest registered in its name and will be entitled to physical delivery of those debt securities in definitive form. Debt securities issued in definitive form will, except as set forth in the applicable prospectus supplement, be issued in denominations of $1,000 and any multiple of $1,000 and will be issued in registered form only, without coupons.

Indentures

Debt securities that will be senior debt will be issued under a senior indenture between Salem Holding and The Bank of New York, as trustee. That indenture, as it may be supplemented from time to time, is referred to below as the Senior Debt Indenture. Debt securities that will be subordinated debt will be issued under a subordinated indenture between Salem Holding and The Bank of New York, as trustee. That indenture, as it may be supplemented from time to time, is referred to below as the Subordinated Debt Indenture. The Bank of New York is referred to as the senior debt indenture trustee or as the subordinated debt indenture trustee as the context may require.

Subordination of Subordinated Debt Securities

Holders of subordinated debt securities should recognize that contractual provisions in the Subordinated Debt Indenture may prohibit Salem Holding from making payments on these securities. Subordinated debt securities are subordinate and junior in right of payment, to the extent and in the manner stated in the Subordinated Debt Indenture, to all of Salem Holding's senior indebtedness.

Unless otherwise provided in the applicable prospectus supplement, the subordination provisions of the Subordinated Debt Indenture will apply to subordinated debt securities. The Subordinated Debt Indenture provides that, unless all principal of and any premium or interest on the senior indebtedness has been paid in full, or provision has been made to make these payments in full, no payment of principal of, or any

premium or interest on, any subordinated debt securities may be made in the event:

- of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings involving Salem Holding or a substantial part of its property;
- that (a) a default has occurred in the payment of principal, any premium, interest or other monetary amounts due and payable on any senior indebtedness or (b) there has occurred any other event of default concerning senior indebtedness, that permits the holder or holders of the senior indebtedness to accelerate the maturity of the senior indebtedness, with notice or passage of time, or both, and that event of default has continued beyond the applicable grace period, if any, and that default or event of default has not been cured or waived or has not ceased to exist; or
- that the principal of and accrued interest on any subordinated debt securities have been declared due and payable upon an event of default as defined under the Subordinated Debt Indenture and that declaration has not been rescinded and annulled as provided under the Subordinated Debt Indenture.

Consolidation, Merger and Sale of Assets

Salem Holding may not consolidate or merge with or into any other person, including any other entity, or convey, transfer or lease all or substantially all of our properties and assets to any person or group of affiliated persons unless:

- Salem Holding is the continuing corporation or the person, if other than Salem Holding, formed by such consolidation or with which or into which Salem Holding is merged or the person to which all or substantially all Salem Holding's properties and assets are conveyed, transferred or leased is a corporation or other entity organized and existing under the laws of the United States, any of its States or the District of Columbia and expressly assumes Salem Holding's obligations under the debt securities and each indenture; and
- immediately after giving effect to the transaction, there is no default and no event of default under the relevant indenture.

If Salem Holding consolidates with or merges into any other corporation or entity or conveys, transfers or leases all or substantially all of its property and assets as described in the preceding paragraph, the successor corporation or entity shall succeed to and be substituted for Salem Holding, and may exercise Salem Holding's rights and powers under the indenture, and thereafter, except in the case of a lease, Salem Holding will be relieved of all obligations and covenants under the indenture and all outstanding debt securities.

Events of Default

Unless otherwise specified in the applicable prospectus supplement, events of default under each indenture with respect to debt securities of any series will include:

- default in the payment of interest on any debt security of that series when due that continues for a period of 30 days;
- default in the payment of principal of or premium on any debt security of that series when due;
- default in the deposit of any sinking fund payment on that series for five days after it becomes due;
- failure to comply with any of the other agreements contained in the indenture for a period of 60 days after written notice to Salem Holding in accordance with the terms of the indenture;
- failure to pay when due the principal of, or acceleration of, any indebtedness for money borrowed by Salem Holding in excess of the amount specified in the indenture, if the indebtedness is not discharged, or the acceleration is not annulled, within 30 days of Salem Holding's receiving written notice of the failure in accordance with the indenture;

- certain events of bankruptcy, insolvency or reorganization; and
- any other events of default specified in the applicable prospectus supplement.

No event of default with respect to a particular series of debt securities, except as to certain events involving bankruptcy, insolvency or reorganization with respect to Salem Holding, necessarily constitutes an event of default with respect to any other series of debt securities.

In general, each indenture obligates the trustee to give notice of a default with respect to a series of debt securities to the holders of that series. The trustee may withhold notice of any default, except a default in payment on any debt security, if the trustee determines it is in the best interest of the holders of that series to do so.

If there is a continuing event of default, the trustee or the holders of at least 25% in aggregate principal amount of the then outstanding debt securities of an affected series may require Salem Holding to repay immediately the unpaid principal, or if the debt securities of that series are original issue discount securities, the portion of the principal amount as may be specified in the terms of that series, of and interest on all debt securities of that series. Subject to certain conditions, the holders of a majority in principal amount of the debt securities of a series may rescind Salem Holding's obligation to accelerate repayment and may waive past defaults, except a default in payment of the principal of and premium, if any, and interest on any debt security of that series and some covenant defaults under the terms of that series.

Under the terms of each indenture, the trustee may refuse to enforce the indenture or the debt securities unless it first receives satisfactory security or indemnity from the holders of debt securities. Subject to limitations specified in each indenture, the holders of a majority in principal amount of the debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

No holder of any debt security of any series will have any right to institute any proceeding, judicial or otherwise, with respect to each indenture or for the appointment of a receiver or trustee, or for any other remedy under each indenture except as set forth in the applicable prospectus supplement.

Notwithstanding the foregoing, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of and premium, if any, and interest on the debt security on or after the due dates expressed in the debt security and to institute suit for the enforcement of any such payment.

Each indenture requires Salem Holding to furnish to the trustee annually a certificate as to its compliance with such indenture.

Satisfaction and Discharge

Salem Holding can discharge or defease its obligations under the indentures as stated below or as provided in the applicable prospectus supplement.

Unless otherwise provided in the applicable prospectus supplement, Salem Holding may discharge obligations to holders of any series of debt securities that have not already been delivered to the trustee for cancellation and that have either become due and payable or are by their terms to become due and payable, or are scheduled for redemption, within one year. Salem Holding may effect a discharge by irrevocably depositing with the trustee cash or United States government obligations, as trust funds, in an amount certified to be enough to pay when due, whether at maturity, upon redemption or otherwise, the principal of, premium, if any, and interest on the debt securities and any mandatory sinking fund payments.

Modification of the Indentures

Each indenture permits Salem Holding and the relevant trustee to amend the indenture without the consent of the holders of any of the debt securities:

to evidence the succession of another corporation and the assumption of Salem Holding's covenants under such indenture and the debt securities;
to add to Salem Holding's covenants or to the events of default or to make certain other changes which would not adversely affect in any material respect the holder of any outstanding debt securities;
to cure any ambiguity, defect or inconsistency; and
for other purposes as described in each indenture.

Each indenture also permits Salem Holding and the trustee, with the consent of the holders of a majority in principal amount of the debt securities of each series affected by the amendment, with each such series voting as a class, to add any provisions to or change or eliminate any

of the provisions of such indenture or any supplemental indenture or to modify the rights of the holders of debt securities of each series, provided, however, that, without the consent of the holder of each debt security so affected, no such amendment may:

- change the maturity of the principal of or premium, if any, or any installment of principal or interest on any debt security;
- reduce the principal amount of any debt security, or the rate of interest or any premium payable upon the redemption, repurchase or repayment of any debt security, or change the manner in which the amount of any of the foregoing is determined;
reduce the amount of principal payable upon acceleration of maturity;
- change the place of payment where, or the currency or currency unit in which, any debt security or any premium or interest on the debt security is payable;
reduce the percentage in principal amount of affected debt securities the consent of whose holders is required for amendment of the indenture or for waiver of compliance with some provisions of the indenture or for waiver of some defaults; or
modify the provisions relating to waiver of some defaults or any of the provisions relating to amendment of the indenture except to increase the percentage required for consent or to provide that some other provisions of the indenture may not be modified or waived.

The holders of a majority in principal amount of the debt securities of any series may, on behalf of the holders of all debt securities of that series, waive, insofar as is applicable to that series, Salem Holding's compliance with some restrictive provisions of the indentures.

Salem Holding may not amend the Subordinated Debt Indenture to alter the subordination of any outstanding subordinated debt securities in a manner adverse to the holders of senior indebtedness without the written consent of the holders of senior indebtedness then outstanding under the terms of such senior indebtedness.

Defeasance and Covenant Defeasance

Except as provided in the applicable prospectus supplement, Salem Holding may elect either:

- to be discharged from all its obligations in respect of debt securities of any series, except for its obligations to register the transfer or exchange of debt securities, to replace temporary, destroyed, stolen, lost or mutilated debt securities, to maintain paying agencies and to hold monies for payment in trust (this discharge is referred to as defeasance) , or

- to be released from its obligations to comply with some restrictive covenants applicable to the debt securities of any series (this release is referred to as covenant defeasance);

in either case upon the deposit with the trustee, or other qualifying trustee, in trust, of money and/or U.S. government obligations which will provide money sufficient to pay all principal of and any premium and interest on the debt securities of that series when due. Salem Holding may establish such a trust only if, among other things, it has received an opinion of counsel to the effect that the holders of debt securities of the series (a) will not recognize income, gain or loss for federal income tax purposes as a result of the deposit, defeasance or covenant defeasance and (b) will be subject to federal income tax on the same amounts, and in the same manner and at the same times as would have been the case if the deposit, defeasance or covenant defeasance had not occurred. The opinion, in the case of defeasance under the first bullet point above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax laws occurring after the date of the relevant indenture.

Salem Holding may exercise the defeasance option with respect to debt securities notwithstanding its prior exercise of the covenant defeasance option. If Salem Holding exercises the defeasance option, payment of the debt securities may not be accelerated because of a default. If Salem Holding exercises the covenant defeasance option, payment of the debt securities may not be accelerated by reason of a default with respect to the covenants to which covenant defeasance is applicable. However, if the acceleration were to occur by reason of another default, the realizable value at the acceleration date of the money and U.S. government obligations in the defeasance trust could be less than the principal and interest then due on the debt securities, in that the required deposit in the defeasance trust is based upon scheduled cash flow rather than market value, which will vary depending upon interest rates and other factors.

Conversion Rights

The terms and conditions, if any, on which debt securities being offered are convertible into other securities will be set forth in an applicable prospectus supplement. Those terms will include the conversion price, the conversion period, provisions as to whether conversion will be at the option of the holder or Salem Holding, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event that the debt securities are redeemed.

Regarding The Trustee

The Bank of New York will serve as the senior debt indenture trustee and as the subordinated debt indenture trustee.

Each indenture contains limitations on the rights of the trustee, should the trustee become Salem Holding's creditor, to obtain payment of claims in some cases, or to realize on specified property received in respect of these claims, as security or otherwise. The trustee and its affiliates engage in, and will be permitted to continue to engage in, other transactions with Salem Holding and its affiliates, provided, however, that if it acquires any conflicting interest as described under the Trust Indenture Act of 1939, it must eliminate the conflict or resign.

DESCRIPTION OF GUARANTEES

Salem Communications and certain of its direct and indirect wholly-owned subsidiaries may guarantee the obligations of Salem Holding relating to its debt securities issued under this prospectus.

The specific terms and provisions of each guarantee, including any provisions relating to the subordination of any guarantee, will be described in the applicable prospectus supplement. The obligations of each guarantor under its guarantee will be limited as necessary to seek to prevent that guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable federal or state law.

DESCRIPTION OF CAPITAL STOCK

Salem Communication s authorized capital stock consists of 80,000,000 shares of Class A Common Stock, $.01 par value, 20,000,000 shares of Class B Common Stock, $.01 par value, and 10,000,000 shares of preferred stock, $.01 par value. Together, the Class A Common Stock and the Class B Common Stock comprise all of the authorized Common Stock.

PREFERRED STOCK

Salem Communication's board of directors, without further action by its stockholders, is authorized to issue an aggregate of 10,000,000 shares of preferred stock. No shares of preferred stock are currently outstanding. Salem Communication's board of directors may, without stockholder approval, issue preferred stock in one or more series with dividend rates, redemption prices, preferences on liquidation or dissolution, conversion rights, voting rights and any other preferences deemed advisable by the board. Information regarding shares of preferred stock to be sold by Salem Communications will be set forth in one or more prospectus supplements.

Each prospectus supplement relating to the sale of preferred stock will describe:

- the series of preferred stock;
- the price per share at which the preferred stock will be sold;
- if applicable, the voting rights of the preferred stock
- if applicable, the dividend rate per share of the preferred stock;
- if applicable, the redemption price per share of the preferred stock;
- if applicable, the liquidation preference of the preferred stock upon liquidation or dissolution;
- if applicable, the conversion features of the preferred stock;
- if applicable, any provisions for adjustment of the number or amount of shares of Salem Communications Class A Common Stock or other securities receivable upon conversion of the preferred stock; and
- any other material terms of the preferred stock.

COMMON STOCK

As of April 15, 2002 there were 17,907,567 shares of Salem Communications Class A Common Stock and 5,553,696 shares of Salem Communications Class B Common Stock outstanding. All of the outstanding Class B Common Stock is beneficially owned by Edward G. Atsinger III, Stuart W. Epperson and Nancy A. Epperson.

Voting. Holders of Salem Communications Class A Common Stock are entitled to one vote for each share held of record, and holders of Salem Communications Class B Common Stock are entitled to 10 votes for each share held of record, except that:

- in the case of a proposed acquisition of a company where any director, officer, holder of 10% or more of any class of Common Stock or any of their affiliates has an interest in the company, the assets to be acquired or in the proceeds from the transaction, holders of both classes of Common Stock are entitled to one vote for each share held of record; and
- in the case of a proposed going private transaction involving Salem or Edward G. Atsinger III, Stuart W. Epperson or Nancy A. Epperson or any of their affiliates,

holders of both classes of Common Stock are entitled to one vote for each share held of record.

The Salem Communications Class A Common Stock and Class B Common Stock vote together as a single class on all matters submitted to a vote of stockholders, including the election of directors by proxy, except as required by law and except as follows. The holders of Class A Common Stock vote as a separate class for two independent directors, in addition to voting together with holders of Class B Common Stock for the remaining directors. Shares of Common Stock do not have cumulative voting rights with respect to the election of directors.

The percentage of the voting power of the outstanding Salem Communications Common Stock controlled by Messrs. Atsinger and Epperson and Mrs. Epperson is approximately 88% which means that they control all actions to be taken by the stockholders, including the election of all directors to the board of directors other than the two independent directors elected by the holders of Class A Common Stock.

Dividends. Holders of the Salem Communications Common Stock are entitled to receive, as when and if declared by the board of directors from time to time, such dividends and other distributions in cash, stock or property from Salem Communication s assets or funds legally available for such purposes subject to any dividend preferences that may be attributable to preferred stock that may be authorized. Each share of Class A Common Stock and Class B Common Stock is equal in respect of dividends and other distributions in cash, stock or property, including distributions upon liquidation of Salem Communications and consideration to be received upon a merger or consolidation of Salem Communications or a sale of all or substantially all of Salem Communication s assets, except that in the case of stock dividends, only shares of Class A Common Stock will be distributed with respect to the Class A Common Stock and only shares of Class B Common Stock will be distributed with respect to Class B Common Stock. In no event will either Class A Common Stock or Class B Common Stock be split, divided or combined unless the other class is proportionately split, divided or combined.

Conversions. The shares of Salem Communications Class A Common Stock are not convertible into any other series or class of securities. Each share of Salem Communications Class B Common Stock, however, is freely convertible into one share of Class A Common Stock at the option of the Class B stockholder. Shares of Class B Common Stock may not be transferred to third parties. Except for transfers to certain family members and for estate planning purposes, any such attempt to transfer Class B Common Stock will result in the automatic conversion of such shares into Class A common shares. All conversions of Class B Common Stock are subject to any necessary FCC approval.

Liquidation. Upon liquidation, dissolution or winding up of Salem Communications, the holders of Salem Communications Common Stock are entitled to share ratably in all assets available for distribution after payment in full of creditors and holders of the preferred stock of Salem Communications, if any.

DESCRIPTION OF WARRANTS

Salem Communications may issue warrants for the purchase of debt securities, preferred stock, Class A Common Stock, or other securities issued by Salem Communications or another issuer or units of two or more of these types of securities. Warrants may be issued independently or together with debt securities, preferred stock or Class A Common Stock and may be attached to or separate from these securities. Each series of warrants will be issued under a separate warrant agreement. A prospectus supplement will be issued with regard to each issue or series of warrants.

Warrants to Purchase Debt Securities

Each prospectus supplement for warrants to purchase debt securities will describe:

- the title of the debt warrants;
- the aggregate number of the debt warrants;
- the price or prices at which the debt warrants will be issued;

- the designation, aggregate principal amount and terms of the debt securities purchasable upon exercise of the debt warrants, and the procedures and conditions relating to the exercise of the debt warrants;
- if applicable, the number of the warrants issued with each share of Salem Communication's preferred stock, Class A Common Stock or other securities or that of another issuer;
- if applicable, the date on and after which the debt warrants and the related securities will be separately transferable;
- the principal amount of and exercise price for debt securities that may be purchased upon exercise of each debt warrant;
- the maximum or minimum number of the debt warrants which may be exercised at any time;
- if applicable, a discussion of any material federal income tax considerations; and
- any other material terms of the debt warrants and terms, procedures and limitations relating to the exercise of the debt warrants.

Certificates for warrants to purchase debt securities will be exchangeable for new debt warrant certificates of different denominations. Warrants may be exercised at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement.

Warrants to Purchase Salem Communications Preferred Stock, Class A Common Stock and Other Securities>

Each prospectus supplement for warrants to purchase Salem Communications preferred stock, Class A Common Stock, and other securities will describe:

- the title of the warrants;
- the securities for which the warrants are exercisable;
- the price or prices at which the warrants will be issued;
- if applicable, the number of the warrants issued with each share of Salem Communications preferred stock, Class A Common Stock or other securities or that of another issuer;
- any provisions for adjustment of the number or amount of shares of Salem Communications preferred stock, Class A Common Stock or other securities or that of another issuer receivable upon exercise of the warrants or the exercise price of the warrants;
- if applicable, the date on and after which such warrants and related Salem Communications preferred stock, Class A Common Stock or other securities or that of another issuer will be separately transferable;
- if applicable, a discussion of material federal income tax considerations; and
- any other material terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

Exercise of Warrants

Each warrant will entitle the holder of the warrant to purchase the principal amount of debt securities, shares of Salem Communications preferred stock or Class A Common Stock, or amounts of other securities at the exercise price as shall in each case be set forth in, or be determinable as set forth in, the prospectus supplement relating to the warrants offered in the applicable prospectus supplement. Warrants may be exercised at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void.

Upon receipt of payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, Salem Communications will, as soon as practicable, forward the debt securities, shares of preferred stock or Class A Common Stock or other

securities to be purchased upon such exercise. If less than all of the warrants represented by a warrant certificate are exercised, a new warrant certificate will be issued for the remaining warrants.

Prior to the exercise of any warrants to purchase debt securities, Salem Communications preferred stock or Class A Common Stock, holders of the warrants will not have any of the rights of holders of the debt securities, preferred stock or Class A Common Stock purchasable upon exercise, including:

- in the case of warrants for the purchase of debt securities, the right to receive payments of principal of, or any premium or interest on, the debt securities purchasable upon exercise or to enforce covenants in the applicable indenture; or
- in the case of warrants for the purchase of Salem Communications preferred stock or Class A Common Stock, the right to vote or to receive any payments of dividends on the preferred stock or Class A Common Stock purchasable upon exercise.

SELLING SECURITY HOLDERS

All or any of the security holders named below may from time to time offer and sell pursuant to this prospectus and the applicable prospectus supplement up to an aggregate of the number of shares of Salem Communications Class A Common Stock indicated below. Each of the potential selling security holders listed immediately below is a current director of Salem Communications. The following table sets forth, as of April 15, 2002, the number of shares of Salem Communications Class A and Class B Common Stock that each security holder beneficially owns. The term selling security holders, as used in this prospectus, includes the holder listed below and his transferees, pledgees, donees, heirs or other successors receiving shares from the holder listed below after the date of this prospectus. The selling security holders may sell, transfer or otherwise dispose of some or all of their shares of the Salem Communications Class A Common Stock owned by such security holder in transactions exempt from the registration requirements of the Securities Act.

			Salem Communications Class A Beneficial Ownership		Salem Communications Class B Beneficial Ownership		Percent of Votes of All Classes of Common Stock	Beneficial Ownership if all Salem Communications Class A Shares Being Registered Are Sold		Percent of Votes of all Classes of Common Stock
Name of Beneficial Owner(1)	Positions with Salem Communications	Number of Class A Shares Being Registered	Number of Shares	%Vote(2) (Class A)	Number of Shares	%Vote(2) (Class A)	%Vote(2) (All)	Number of Shares	%Vote(2) (Class A)	%Vote(2) (All)
Stuart W. Epperson	Chairman of the Board	625,000	4,317,029(3)	24.11%	2,776,848(4)	50.00%	43.69%	3,692,029	20.62%	47.84%
Edward G. Atsinger III	President, Chief Executive Officer and Director	625,000	4,545,530(5)	25.38%	2,776,848(5)	50.00%	44.00%	3,920,530	21.89%	43.15%

* Less than 1%.

(1) Except as otherwise indicated, the address for each person is c/o Salem Communications Corporation, 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012. Calculated pursuant to Rule 13d-3(d) under the Exchange Act. Shares of Salem Communications Class A Common Stock not outstanding that are subject to options exercisable by the holder thereof within 60 days of April 15, 2002 are deemed outstanding for the purposes of calculating the number and percentage owned by such stockholder, but not deemed outstanding for the purpose of calculating the percentage owned by each other stockholder listed. Unless otherwise noted, all shares listed as beneficially owned by a stockholder are actually outstanding.

(2) Percentage voting power is based upon 17,907,567 shares of Salem Communications Class A Common Stock and 5,553,696 shares of Salem Communications Class B Common Stock, all of which were outstanding as of April 15, 2002, and the general voting power of one vote

for each share of Class A Common Stock and ten votes for each share of Class B Common Stock.

(3) Includes shares of Salem Communications Class A Common Stock held by a trust of which Mr. Epperson is trustee and shares held directly by Mr. Epperson. As husband and wife, Mr. and Mrs. Epperson are each deemed to be the beneficial owner of shares held by the other, and therefore, their combined beneficial ownership in the table.

(4) Includes shares of Salem Communications Class B Common Stock held directly by Mr. Epperson and shares held directly by Mrs. Epperson.

(5) These shares of Salem Communications Class A and Class B Common Stock are held by trusts of which Mr. Atsinger is trustee.

Information regarding the shares of Salem Communications Class A Common Stock to be sold by each selling stockholder will be set forth in one or more prospectus supplements.

PLAN OF DISTRIBUTION

The securities being offered by this prospectus may be sold:

through agents,
to or through underwriters,
through broker-dealers (acting as agent or principal),
directly to purchasers, through a specific bidding or auction process or otherwise; or
through a combination of any such methods of sale.

The distribution of securities may be effected from time to time in one or more transactions, including block transactions and transactions on the NASDAQ National Market or any other organized market where the shares may be traded. The securities may be sold at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices relating to the prevailing market prices or at negotiated prices. The consideration may be cash or another form negotiated by the parties. Agents, underwriters or broker-dealers may be paid compensation for offering and selling the securities. That compensation may be in the form of discounts, concessions or commissions to be received from Salem Communications, Salem Holding or the selling security holders, or from the purchasers of the securities. Selling security holders, dealers and agents participating in the distribution of the securities may be deemed to be underwriters, and compensation received by them on resale of the securities may be deemed to be underwriting discounts.

Agents may from time to time solicit offers to purchase the securities. If required, any agent involved in the offer or sale of the securities will be named, and any compensation payable to the agent will be described in, the applicable prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment. Any agent selling the securities covered by this prospectus may be deemed to be an underwriter, as that term is defined in the Securities Act, of the securities.

If underwriters are used in a sale, securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, or under delayed delivery contracts or other contractual commitments. Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. If an underwriter or underwriters are used in the sale of securities, an underwriting agreement will be executed with the underwriter or underwriters at the time an agreement for the sale is reached. The applicable prospectus supplement will set forth the managing underwriter or underwriters, as well as any other underwriter or underwriters, with respect to a particular underwritten offering of securities, and will set forth the terms of the transactions, including compensation of the underwriters and dealers and the public offering price, if applicable. The prospectus and prospectus supplement will be used by the underwriters to resell the securities.

If a dealer is used in the sale of the securities, Salem Communications, Salem Holding, the selling security holder or an underwriter will sell the securities to the dealer, as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale. To the extent required, the name of the dealer and the terms of the transactions will be set forth in the prospectus supplement.

Salem Communications and Salem Holding may directly solicit offers to purchase the securities and Salem Communications, Salem Holding or the selling security holders may make sales of securities directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. To the extent required, the prospectus supplement will describe the terms of any such sales, including the terms of any bidding or auction process, if used.

Agents, underwriters and dealers may be entitled under agreements which may be entered into with Salem Communications, Salem Holding or the selling security holders to indemnification by Salem Communications, Salem Holding or the selling security holders against specified liabilities, including liabilities incurred under the Securities Act, or to contribution by Salem Communications, Salem Holding or the selling security holders to payments they may be required to make in respect of such liabilities. The prospectus supplement will describe the terms and conditions of such indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates may be customers of, engage in transactions with or perform services for Salem Communications, Salem Holding or their subsidiaries in the ordinary course of business.

Under the securities laws of some states, the securities offered by this prospectus may be sold in those states only through registered or licensed brokers or dealers.

Salem Communications may permit certain of its security holders or their pledgees or donees to sell Salem Communications Class A Common Stock pursuant to this prospectus in conjunction with an offering by Salem Communications. The selling security holders may only sell pursuant to this prospectus with Salem Communication's consent, which consent may be withheld in our sole discretion. If selling security holders sell Salem Communication's Class A Common Stock pursuant to this prospectus, a prospectus supplement will set forth information required by the SEC rules and regulations regarding the selling holders. These transactions may involve transfer of the securities upon exercise or settlement of put or call options, or delivery of the securities to replace securities that were previously borrowed from another security holder or a combination of such methods. Selling security holders may also resell all or a portion of their securities in reliance upon Rule 144 under the Securities Act provided they meet the criteria and conform to the requirements of that rule.

Because selling security holders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, selling security holders may be subject to the prospectus delivery requirements of the Securities Act, which may include delivery through the facilities of the Nasdaq National Market pursuant to Rule 153 under the Securities Act.

Any person participating in the distribution of Salem Communications Class A Common Stock registered under the registration statement that includes this prospectus will be subject to applicable provisions of the Exchange Act and the applicable SEC rules and regulations, including, among others, Regulation M, which may limit the timing of purchases and sales of any of Salem Communications Class A Common Stock by any such person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of Salem Communications Class A Common Stock to engage in market-making activities with respect to Salem Communications Class A Common Stock. These restrictions may affect the marketability of Salem Communications Class A Common Stock and the ability of any person or entity to engage in market-making activities with respect to Salem Communications Class A Common Stock.

Certain persons participating in the offering may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Exchange Act that stabilize, maintain or otherwise affect the price of the offered securities. For a description of these activities, see the information under the heading Underwriting in the applicable prospectus supplement.

WHERE YOU CAN FIND MORE INFORMATION

Salem Communications files annual, quarterly and special reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy this information at the following locations of the SEC:

Public Reference Room
Room 1024
450 Fifth Street, N.W.
Washington, D.C. 20549

Citicorp Center
500 West Madison Street
Suite 1400
Chicago, Illinois 60661

You can also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. You may obtain information

on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC also maintains an internet world wide web site that contains reports, proxy statements and other information about issuers, like Salem Communications, who file electronically with the SEC. The address of that web site is http://www.sec.gov.

We have filed with the SEC a registration statement on Form S-3 that registers the securities we are offering. The registration statement, including the attached exhibits and schedules, contains additional relevant information about Salem Communications and Salem Holdings and the securities offered that, as permitted by the rules and regulations of the SEC, have not been included in this prospectus. You should read the registration statement for further information about Salem Communications, Salem Holding and Salem Communication's Class A Common Stock.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows the incorporation by reference of information into this prospectus. This means that important information about Salem Communications, Salem Holding and their financial condition may be disclosed to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by information that is included directly in this document. This prospectus incorporates by reference the documents listed below that we have previously filed with the SEC:

a. Salem Communication's Annual Report on Form 10-K for the year ended December 31, 2001; and

b. The description of our Class A Common Stock contained in our Registration Statement on Form 8-A (File No. 0000-26497), filed June 25, 1999, and any amendments or reports filed for the purpose of updating that description.

Also incorporated by reference are additional documents that Salem Communications may file with the SEC after the date of this prospectus. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements. All documents filed by Salem Communications pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this prospectus and prior to the termination of the offering of the securities shall be deemed to be incorporated by reference in this prospectus and to be part of this prospectus from the date of filing such documents.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in the applicable prospectus supplement or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes the statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings incorporated herein by reference, including exhibits to such documents that are specifically incorporated by reference, at no cost, by writing or calling Salem Communications at the following address or telephone number:

Salem Communications Corporation
4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
Telephone: (805) 987-0400
Attn: Jonathan L. Block, Esq.

Statements contained in this prospectus as to the contents of any contract or other documents are not necessarily complete, and in each instance investors are referred to the copy of the contract or other document filed

as an exhibit to the registration statement, each such statement being qualified in all respects by such reference and the exhibits and schedules thereto.

FORWARD-LOOKING STATEMENTS

This prospectus and the information incorporated into it by reference contain forward-looking statements that are subject to risks and uncertainties. You should not place undue reliance on these statements. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of business strategies. These statements often include words such as believe, expect, anticipate, intend, plan, estimate, seek, will, may or similar expressions. These statements are based on certain assumptions that have b in light of experience as well as perceptions of historical trends, current conditions, expected future developments and other factors Salem Communications and Salem Holding believe are appropriate in these circumstances. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions. Many factors could affect actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to:

- operations and prospects,
- acquisition and integration of new radio stations,
- business and financing plans,
- funding needs and financing sources,
- future growth of the religious and family issues format segment of the radio broadcasting industry,
- characteristics of competition,
- actions of third parties such as government regulatory agencies, and
- various other factors beyond Salem Communication's and Salem Holding control.

All future written and oral forward-looking statements by Salem Communications or Salem Holding or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements contained in this prospectus and in any document incorporated herein by reference. Salem Communications and Salem Holding do not have any obligation or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future or to reflect the occurrence of unanticipated events. YOU SHOULD READ CAREFULLY THE FACTORS DESCRIBED IN THE CERTAIN FACTORS AFFECTING SALEM CONTAINED IN THE BUSINESS SECTION OF SALEM COMMUNICATION'S FILINGS WITH THE SEC AND THE APPLICABLE PROSPECTUS SUPPLEMENT FOR A DESCRIPTION OF CERTAIN RISKS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THESE FORWARD-LOOKING STATEMENTS.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements and schedule included in our Annual report on form 10-K for the year ended December 31, 2001, as set forth in their report, which is incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements and schedule are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

LEGAL MATTERS

Gibson, Dunn & Crutcher LLP of Irvine, California will issue an opinion with respect to the validity of the securities being offered by this prospectus. If counsel for any underwriters passes on legal matters in connection with an offering of the securities described in this prospectus, we will name that counsel in the accompanying prospectus supplement relating to that offering.

$240,000,000

SALEM COMMUNICATIONS CORPORATION
SALEM COMMUNICATIONS HOLDING CORPORATION

Salem Holding Debt Securities
Salem Communications Preferred Stock
Salem Communications Class A Common Stock
and Salem Communications Warrants

Prospectus

April 19, 2002

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. ***Other Expenses of Issuance and Distribution***

The following table sets forth all expenses payable by Salem Communications and Salem Holdings in connection with the offering of our securities being registered hereby. All amounts are estimated except the SEC registration fee.

SEC Registration Fee	$ 22,080
Printing Expenses	$ 30,000
Legal Fees and Expenses	$ 60,000
Accounting Fees and Expenses	$ 10,000
Miscellaneous	$ 10,000
Total	$ 132,080

Item 15. ***Indemnification of Directors and Officers.***

Salem Communications is a Delaware corporation. Section 145(a) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless and only to the extent that the court in which such action or suit was brought shall determine that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Further subsections of DGCL Section 145 provide that:

(1) to the extent a present or former director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 or in the defense of any claim, issue or matter therein, such person shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by such person in connection therewith;

(2) the indemnification and advancement of expenses provided for pursuant to Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholder or disinterested directors or otherwise; and

(3) the corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

As used in this Item 15, the term Proceeding means any threatened, pending, or completed action, suit, or proceeding, whether or not by or in the right of Salem Communications, and whether civil, criminal, administrative, investigative or otherwise.

Section 145 of the Delaware General Corporation Law makes provision for the indemnification of officers and directors in terms sufficiently broad to indemnify officers and directors of Salem Communications under certain circumstances from liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933. Salem Communication's Certificate of Incorporation and Bylaws provide, in effect, that, to the fullest extent and under the circumstances permitted by Section 145 of the DGCL, Salem Communications will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is a director or officer of Salem Communications or is or was serving at the request of Salem as a director or officer of another corporation or enterprise. Salem has entered into indemnification agreements with its officers and directors. Salem may, in its discretion, similarly indemnify its employees and agents. Salem's Certificate relieves its directors from monetary damages to Salem or its stockholders for breach of such director's fiduciary duty as a director to the fullest extent permitted by the DGCL. Under Section 102(b)(7) of the DGCL, a corporation may relieve its directors from personal liability to such corporation or its stockholders for monetary damages for any breach of their fiduciary duty as directors except (i) for a breach of the duty of loyalty, (ii) for failure to act in good faith, (iii) for intentional misconduct or knowing violation of law, (iv) for willful or negligent violations of certain provisions in the DGCL imposing certain requirements with respect to stock repurchases, redemptions and dividends, or (v) for any transactions from which the director derived an improper personal benefit. Depending upon the character of the proceeding, under Delaware law, Salem Communications may indemnify against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually

and reasonably incurred in connection with any action, suit or proceeding if the person indemnified acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the company.

Salem Communications currently maintains an insurance policy which, within the limits and subject to the terms and conditions thereof, covers certain expenses and liabilities that may be incurred by directors and officers in connection with actions, suits or proceedings that may be brought against them as a result of an act or omission committed or suffered while acting as a director or officer of Salem Communications.

Item 16. Exhibits and Financial Schedule.

See the Exhibit Index attached to this Registration Statement and incorporated by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which,

individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

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

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

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and where applicable each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934), that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore,

unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

EXHIBIT INDEX

Exhibit Number	Description
1.01	Form of Underwriting Agreement*
3.01	Amended and Restated Certificate of Incorporation of Salem Communications Corporation, a Delaware corporation. (4)
3.02	Bylaws of Salem Communications Corporation, a Delaware Corporation. (4)
4.01	Indenture between Salem Communications Corporation, a California corporation, certain named guarantors and The Bank of New York, as Trustee, dated as of September 25, 1997, relating to the 9 ½% Series A and Series B Senior Subordinated Notes due 2007. (1)
4.02	Form of 9 ½% Senior Subordinated Note (filed as part of exhibit 4.01). (1)
4.03	Form of Note Guarantee (filed as part of exhibit 4.01). (1)
4.04	Credit Agreement, dated as of September 25, 1997, among Salem, the several Lenders from time to time parties thereto, and The Bank of New York, as administrative agent for the Lenders (incorporated by reference to exhibit 4.07 of the previously filed Registration Statement on Form S-4). (1)
4.05	Borrower Security Agreement, dated as of September 25, 1997, by and between Salem and The Bank of New York, as Administrative Agent of the Lenders (incorporated by reference to exhibit 4.07 of the previously filed Registration Statement on Form S-4). (1)
4.06	Subsidiary Guaranty and Security Agreement dated as of September 25, 1997, by and between Salem, certain named guarantors, and The Bank of New York, as Administrative Agent (incorporated by reference to exhibit 4.09 of the previously filed Registration Statement on Form S-4). (1)
4.07	Amendment No. 1 and Consent No. 1, dated as of August 5, 1998, to the Credit Agreement, dated as of September 25, 1997, by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America NT SA, as documentation agent, and the several Lenders (incorporated by reference to exhibit 10.02 of previously filed Current Report on Form 8-K). (2)
4.08	Amendment No. 2 and Consent No. 2, dated as of January 22, 1999, to the Credit Agreement, dated as of September 25, 1997, by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America NT SA, as documentation agent, and the Lenders. (5)
4.09	Specimen of Class A common stock certificate. (5)
4.10	Supplemental Indenture No. 1, dated as of March 31, 1999, to the Indenture, dated as of September 25, 1997, by and among Salem Communications Corporation, a California corporation, Salem Communications Corporation, a Delaware corporation, The Bank of New York, as Trustee, and the Guarantors named therein. (5)

4.10.01	Supplemental Indenture No. 2, dated as of August 24, 2000, by and among Salem Communications Corporation, a Delaware corporation, Salem Communications Holding Corporation, a Delaware corporation, the guarantors named therein and The Bank of New York, as Trustee (previously filed as Exhibit 4.11). (9)
4.10.02	Supplemental Indenture No. 3, dated as of March 9, 2001, by and among Salem Communications Corporation, a Delaware corporation, Salem Communications Holding Corporation, a Delaware corporation, the guarantors named therein and The Bank of New York, as Trustee. (13)
4.10.03	Supplemental Indenture No. 4, dated as of June 25, 2001, by and among Salem Communications Holding Corporation, a Delaware corporation, the guarantors named therein and The Bank of New York, as Trustee. (12)
4.11	Consent No. 3, dated as of March 31, 1999, to the Credit Agreement, dated as of September 25, 1997, by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America NT SA, as Documentation Agent, and the Lenders named therein. (5)

4.12	Assumption Agreement, dated as of March 31, 1999, by and between Salem Communications Corporation, a Delaware corporation, and The Bank of New York, as Administrative Agent. (5)
4.13	Amendment No. 1 to the Grant of Security Interest (Servicemarks) by Salem to The Bank of New York, as Administrative Agent, under the Borrower Security Agreement, dated as of September 25, 1997, with the Administrative Agent. (5)
4.14	Amendment No. 3 and Consent No. 4, dated as of April 23, 1999, under the Credit Agreement, dated as of September 25, 1997, by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America NT SA, as Documentation Agent, and the Lenders party thereto. (5)
4.15	First Amended and Restated Credit Agreement by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America NT SA, as Documentation Agent, and the Lenders named therein. (5)
4.16	Amendment No. 1 to First Amended and Restated Credit Agreement, by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America, N.A., as Documentation Agent and the Lenders party thereto. (6)
4.17	Amendment No. 2 to First Amended and Restated Credit Agreement, by and among Salem, The Bank of New York, as Administrative Agent for the Lenders, Bank of America, N.A., as Documentation Agent and the Lenders party thereto. (6)
4.18	Amendment No. 3 to First Amended and Restated Credit Agreement, dated as of August 17, 2000, by and among the Company, The Bank of New York, as administrative Agent for the Lender, Bank of America, N.A., and the Lenders party thereto. (9)
4.19	Second Amended and Restated Credit Agreement, dated as of August 24, 2000, by and among Salem Communications Holding Corporation, The Bank of New York, as Administrative Agent, Bank of America, N.A. as Syndication Agent, Fleet National Bank as Documentation Agent, Union Bank of California, N.A. and the Bank of Nova Scotia as Co-Agents and the Lenders party thereto. (9)
4.19.01	Supplement to Second Amended and Restated Subsidiary Guaranty dated November 7, 2000 by Salem Communications Acquisition Corporation and The Bank of New York. (11)

4.19.02	Supplement to Second Amended and Restated Subsidiary Guaranty dated November 7, 2000 by SCA License Corporation and The Bank of New York. (11)
4.20	Credit Agreement dated as of August 24, 2000, by and among the Company, ING (U.S.) Capital LLC as Administrative Agent, The Bank of New York as Syndication Agent, Fleet National Bank as Documentation Agent, and the Lenders party thereto. (9)
4.21	Amendment No. 1, dated as of January 15, 2001, to the Third Amended and Restated Credit Agreement, dated as of November 7, 2000, by and among Salem Communications Corporation, a Delaware Corporation; The Bank of New York, as Administrative Agent; Bank Of America, N.A., as Syndication Agent; Fleet National Bank, as Documentation Agent; Union Bank of California, N.A. and The Bank of Nova Scotia, as Co-Agents; and Lenders. (10)
4.22	Amendment No. 1, dated as of January 15, 2001, to the First Amended and Restated Parent Guaranty, dated as of November 7, 2000, by and among Salem Communications Corporation, a Delaware corporation, Salem Communications Holding Corporation, a Delaware corporation, and The Bank of New York, as Administrative Agent. (10)
4.23	Third Amended and Restated Credit Agreement dated as of November 7, 2000, by and among Salem Communications Holding Corporation, a Delaware corporation, The Bank of New York, as Administrative Agent, Bank of America, N.A., as Syndication Agent, Fleet National Bank as Documentation Agent, Union Bank of California, N.A. and The Bank of Nova Scotia, as Co-agents and lenders. (10)
4.24	Fourth Amended and Restated Credit Agreement dated as of June 15, 2001, by and among Salem Communications Holding Corporation, a Delaware corporation, The Bank of New York, as Administrative Agent, Bank of America, N.A., as Syndication Agent, Fleet National Bank as Documentation Agent, Union Bank of California, N.A. and The Bank of Nova Scotia, as Co-agents and lenders. (12)
4.24.01	First Amended and Restated Parent Security Agreement dated as of June 15, 2001, by and among Salem Communications Corporation, a Delaware corporation, and The Bank of New York, as Administrative Agent. (12)
4.24.02	Second Amended and Restated Parent Security Agreement dated as of June 15, 2001, by and among Salem Communications Corporation, a Delaware corporation, Salem Communications Holding Corporation, a Delaware corporation, and The Bank of New York, as Administrative Agent. (12)
4.24.03	First Amendment to the Fourth Amended and Restated Credit Agreement, dated as of December 27, 2001, by and among Salem Communications Holding Corporation, a Delaware corporation, The Bank of New York, as administrative agent, the other agents party thereto, and the Lenders party thereto.
4.25	

	Indenture between Salem Communications Holding Corporation, a Delaware corporation, certain named guarantors and The Bank of New York, as Trustee, dated as of June 25, 2001, relating to the 9% Series A and Series B Senior Subordinated Notes due 2011. (12)
4.26	Form of 9% Senior Subordinated Notes (filed as part of exhibit 4.25).
4.27	Form of Note Guarantee (filed as part of exhibit 4.25).
4.28	Registration Rights Agreement dated as of June 25, 2001, by and among Salem Communications Holding Corporation, the guarantors and initial purchasers named therein. (12)

4.31	Form of Senior Debt Indenture.
4.32	Form of Senior Debt Security (included in Form of Senior Debt indenture filed as Exhibit 4.31)
4.33	Form of Subordinated Debt Indenture
4.34	Form of Subordinated Debt Indenture (included in Form of Subordinated Debt indenture filed as Exhibit 4.33)
4.32	Form of Warrant Agreement*
4.33	Form of Warrant*
5.01	Opinion of Gibson, Dunn & Crutcher LLP.*
12.01	Statement of Computation of Ratios.
23.01	Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.1)*.
23.02	Consent of Ernst & Young LLP, Independent Auditors.*
24.01	Powers of Attorney (included on signature page of this registration statement).
25.01	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 for the Bank of New York, as trustee under the Indenture. (14)
25.02	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 for the Bank of New York, as trustee under the Senior Debt Indenture.
25.03	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 for the Bank of New York, as trustee under the Subordinated Debt Indenture.
*	To be filed by amendment hereto or pursuant to a Current Report on Form 8-K to be incorporated herein by reference.
(1)	Incorporated by reference to the exhibit of the same number, unless otherwise noted, of Salem Communications Registration Statement on Form S-4 (No. 333-41733), as amended, as declared effective by the Commission on February 9, 1998.
(2)	Incorporated by reference to the exhibit of the same number, unless otherwise noted, of Salem Communications' Current Report on Form 8-K, filed with the Commission on September 4, 1998.
(3)	Incorporated by reference to the exhibit of the same number, unless otherwise noted, of Salem Communications Annual Report on Form 10-K, filed with the Commission on March 31, 1999.
(4)	Incorporated by reference to the exhibit of the same number, unless otherwise noted, of Salem Communications Current Report on Form 8-K, filed with the Commission on April 14, 1999.
(5)	Incorporated by reference to the exhibit of the same number to the Company's Registration Statement on Form S-1 (No. 333-76649) as amended, as declared, effective by the Commission on June 30, 1999.

(6)	Incorporated by reference to the exhibit of the same number to Salem Communications Annual Report on Form 10-K, filed with the Commission on March 30, 2000.
(7)	Incorporated by reference to the exhibit of the same number to Salem Communications Quarterly Report on Form 10-Q, filed with the Commission on May 15, 2000.
(8)	Incorporated by reference to the exhibit of the same number to Salem Communications Quarterly Report on Form 10-Q, filed with the Commission on August 15, 2000.
(9)	Incorporated by reference to the exhibit of the same number, unless otherwise noted, to Salem Communications Current Report on Form 8-K; filed with the Commission on September 8, 2000.
(10)	Incorporated by reference to the exhibit of the same number to Salem Communications Annual Report on Form 10-K, filed with the Commission on April 2, 2001.
(11)	Incorporated by reference to the exhibit of the same number to Salem Communications Quarterly Report on Form 10-Q, filed with the Commission on May 15, 2001.
(12)	Incorporated by reference to the exhibit of the same number to Salem Communications Quarterly Report on Form 10-Q, filed with the Commission on August 14, 2001.
(13)	

	Incorporated by reference to the exhibit of the same number to Salem Communications 10-K, filed with the Commission on April 1, 2002.	Annual Report on Form
(14)	Incororated by reference to the exhibit of the same number to Salem Communications Form S-4, filed with the Commission on September 7, 2001.	Registration Statement

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant named below has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Camarillo, California on April ___, 2002.

SALEM COMMUNICATIONS CORPORATION

By: /s/ EDWARD G. ATSINGER III

Edward G. Atsinger III
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints David R. Evans and Jonathan L. Block, his true and lawful attorneys-in-fact and agents, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April ___, 2002.

Name	Title
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ DAVID A.R. EVANS David A.R. Evans	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ EILEEN E. HILL Eileen E. Hill	Vice President, Finance and Accounting (Principal Accounting Officer)
/s/ STUART W. EPPERSON Stuart W. Epperson	Director
/s/ ERIC H. HALVORSON	Director

Eric H. Halvorson

/s/ RICHARD A. RIDDLE — Director

Richard A. Riddle

/s/ ROLAND S. HINZ — Director

Roland S. Hinz

/s/ DONALD P. HODEL — Director

Donald P. Hodel

/s/ DAVID DAVENPORT — Director

David Davenport

/s/ PAUL PRESSLER — Director

Paul Pressler

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant named below has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Camarillo, California on April 19, 2002.

SALEM COMMUNICATIONS HOLDING CORPORATION

By: /s/ EDWARD G. ATSINGER III

Edward G. Atsinger III
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints David R. Evans and Jonathan L. Block, his true and lawful attorneys-in-fact and agents, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April ___, 2002.

Name	Title
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ DAVID A.R. EVANS David A.R. Evans	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ EILEEN E. HILL Eileen E. Hill	Vice President, Finance and Accounting (Principal Accounting Officer)
/s/ STUART W. EPPERSON Stuart W. Epperson	Director
/s/ ERIC H. HALVORSON Eric H. Halvorson	Director

/s/ RICHARD A. RIDDLE Richard A. Riddle	Director
/s/ ROLAND S. HINZ Roland S. Hinz	Director
/s/ DONALD P. HODEL Donald P. Hodel	Director
/s/ DAVID DAVENPORT David Davenport	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrants named below have duly caused this Registration Statement to be signed on their behalf by the undersigned, thereunto duly authorized, in Camarillo, California on April ___, 2002.

ATEP RADIO, INC.
BISON MEDIA, INC.
CARON BROADCASTING, INC.

CCM COMMUNICATIONS, INC.
COMMON GROUND BROADCASTING, INC.
GOLDEN GATE BROADCASTING COMPANY, INC.
INLAND RADIO, INC.
INSPIRATION MEDIA, INC.
KINGDOM DIRECT, INC.
NEW ENGLAND CONTINENTAL MEDIA, INC.
NEW INSPIRATION BROADCASTING COMPANY, INC.
PENNSYLVANIA MEDIA ASSOCIATES, INC.
RADIO 1210, INC.
REACH SATELLITE NETWORK, INC.
SALEM MEDIA CORPORATION
SALEM MEDIA OF COLORADO, INC.
SALEM MEDIA OF GEORGIA, INC.
SALEM MEDIA OF KENTUCKY, INC.
SALEM MEDIA OF OHIO, INC.
SALEM MEDIA OF OREGON, INC.
SALEM MEDIA OF PENNSYLVANIA, INC.
SALEM MEDIA OF TEXAS, INC.
SALEM MEDIA OF VIRGINIA, INC.
SALEM MUSIC NETWORK, INC.
SALEM RADIO NETWORK INCORPORATED
SALEM RADIO OPERATIONS - PENNSYLVANIA, INC.
SALEM RADIO PROPERTIES, INC.
SALEM RADIO REPRESENTATIVES, INC.
SCA LICENSE CORPORATION
SOUTH TEXAS BROADCASTING, INC.
SRN NEWS NETWORK, INC.
VISTA BROADCASTING, INC.

By: /s/ EDWARD G. ATSINGER III

Edward G. Atsinger III
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints David R. Evans and Jonathan L. Block, his true and lawful attorneys-in-fact and agents, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April ___, 2002.

Name	Title

/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	President and Chief Executive Officer (Principal Executive Officer)
/s/ DAVID A.R. EVANS David A.R. Evans	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ EILEEN E. HILL Eileen E. Hill	Vice President, Finance and Accounting (Principal Accounting Officer)
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	Director
/s/ JONATHAN L. BLOCK Jonathan L. Block	Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant named below has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Camarillo, California on April ___, 2002.

INSPIRATION MEDIA OF PENNSYLVANIA, L.P.

By: SALEM RADIO OPERATIONS-PENNSYLVANIA, INC.
General Partner

By: /s/ EDWARD G. ATSINGER III

Edward G. Atsinger III
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints David R. Evans and Jonathan L. Block, his true and lawful attorneys-in-fact and agents, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April ___, 2002.

Name	Title

/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	President and Chief Executive Officer of General Partner (Principal Executive Officer)
/s/ DAVID A.R. EVANS David A.R. Evans	Senior Vice President and Chief Financial Officer of General Partner (Principal Financial Officer)
/s/ EILEEN E. HILL Eileen E. Hill	Vice President, Finance and Accounting of General Partner (Principal Accounting Officer)
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	Director of General Partner
/s/ JONATHAN L. BLOCK Jonathan L. Block	Director of General Partner

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant named below has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Camarillo, California on April ___, 2002.

INSPIRATION MEDIA OF TEXAS, LLC
SALEM MEDIA OF ILLINOIS, LLC
SALEM MEDIA OF NEW YORK, LLC
SALEM RADIO OPERATIONS, LLC

By: SALEM MEDIA CORPORATION, Manager

By: /s/ EDWARD G. ATSINGER III

Edward G. Atsinger III
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints David R. Evans and Jonathan L. Block, his true and lawful attorneys-in-fact and agents, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April ___, 2002.

Name	Title
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	President and Chief Executive Officer of Manager (Principal Executive Officer)
/s/ DAVID A.R. EVANS David A.R. Evans	Senior Vice President and Chief Financial Officer of Manager (Principal Financial Officer)
/s/ EILEEN E. HILL Eileen E. Hill	Vice President, Finance and Accounting of Manager (Principal Accounting Officer)
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	Director of Manager
/s/ JONATHAN L. BLOCK Jonathan L. Block	Director of Manager

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant named below has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Camarillo, California on April ___, 2002.

ONEPLACE, LLC

By: SALEM COMMUNICATIONS CORPORATION,
Manager

By: /s/ EDWARD G. ATSINGER III

Edward G. Atsinger III
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that each person whose signature appears below constitutes and appoints David R. Evans and Jonathan L. Block, his true and lawful attorneys-in-fact and agents, each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all that said attorneys-in-fact and agents, each acting alone, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on April ___, 2002.

Name	Title
/s/ EDWARD G. ATSINGER III Edward G. Atsinger III	President and Chief Executive Officer of Manager (Principal Executive Officer)
/s/ DAVID A.R. EVANS David A.R. Evans	Senior Vice President and Chief Financial Officer of Manager (Principal Financial Officer)
/s/ EILEEN E. HILL Eileen E. Hill	Vice President, Finance and Accounting of Manager (Principal Accounting Officer)
/s/ DAVID DAVENPORT David Davenport	Director of Manager
/s/ STUART W. EPPERSON Stuart W. Epperson	Director of Manager
/s/ ERIC H. HALVORSON Eric H. Halvorson	Director of Manager

/s/ ROLAND S. HINZ Roland S. Hinz	Director of Manager
/s/ DONALD P. HODEL Donald P. Hodel	Director of Manager
/s/ PAUL PRESSLER Paul Pressler	Director of Manager
/s/ RICHARD A. RIDDLE Richard A. Riddle	Director of Manager

EXHIBIT 4.31

SALEM COMMUNICATIONS HOLDING CORPORATION

AND

THE BANK OF NEW YORK,

TRUSTEE

FORM OF SENIOR DEBT INDENTURE

GUARANTEED TO THE EXTENT SET FORTH HEREIN

BY THE GUARANTORS NAMED HEREIN

DATED AS OF _____, 200_

==========

SALEM COMMUNICATIONS HOLDING CORPORATION
Reconciliation and tie between Trust Indenture Act of 1939
and Indenture, dated as of _____, 200_

TRUST INDENTURE ACT SECTION	INDENTURE SECTION
310(a)(1)	6.09
(a)(2)	6.09
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	6.08, 6.10
311(a)	6.13
(b)	6.13
(b)(2)	7.03(a), 7.03(b)
312(a)	7.01, 7.02(a)
(b)	7.02(b)
(c)	7.02(c)
313(a)	7.03(a)
(b)	7.03(a)
(c)	7.03(a), 7.03(b)
(d)	7.03(b)
314(a)	7.04
(b)	Not Applicable
(c)(1)	1.02
(c)(2)	1.02
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.02
315(a)	6.01(a)
(b)	6.02, 7.03(a)
(c)	6.01(b)
(d)	6.01(c)
(d)(1)	6.01(a), 6.01(c)
(d)(2)	6.01(c)
(d)(3)	6.01(c)
(e)	5.14
316(a)(1)(A)	5.12
(a)(1)(B)	5.02, 5.13
(a)(2)	Not Applicable

(b).....5.08
(c).....1.04(e)
317(a)(1).....5.03
(a)(2).....5.04
(b).....10.05
318(a).....1.07

TABLE OF CONTENTS

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION.....
Section 1.01 Definitions.....
Section 1.02 Compliance Certificates and Opinions.....
Section 1.03 Form of Documents Delivered to Trustee.....
Section 1.04 Acts of Holders .....
Section 1.05 Notices, Etc., to Trustee and Company .....
Section 1.06 Notice to Holders; Waiver .....
Section 1.07 Conflict with Trust Indenture Act .....
Section 1.08 Effect of Headings and Table of Contents .....
Section 1.09 Successors and Assigns .....
Section 1.10 Separability Clause .....
Section 1.11 Benefits of Indenture.....
Section 1.12 Governing Law .....
Section 1.13 Legal Holidays .....
Section 1.14 No Recourse Against Others .....
Section 1.15 Judgment Currency .....
Section 1.16 Counterparts .....

ARTICLE 2
SECURITY FORMS 10
Section 2.01 Forms Generally.....
Section 2.02 Form of Face of Security .....
Section 2.03 Form of Reverse of Security .....
Section 2.04 Form of Trustee's Certificate of Authentication .....
Section 2.05 Securities in Global Form .....
Section 2.06 Form of Legend for the Securities in Global Form .....

ARTICLE 3
THE SECURITIES 16
Section 3.01 Amount Unlimited; Issuable in Series .....
Section 3.02 Denominations.....
Section 3.03 Execution, Authentication, Delivery and Dating.....
Section 3.04 Temporary Securities .....
Section 3.05 Registration, Registration of Transfer and Exchange .....
Section 3.06 Mutilated, Destroyed, Lost and Stolen Securities .....
Section 3.07 Payment of Interest; Interest Rights Preserved .....
Section 3.08 Persons Deemed Owners .....
Section 3.09 Cancellation .....
Section 3.10 Computation of Interest .....
Section 3.11 CUSIP Number .....
Section 3.12 Wire Transfers .....

ARTICLE 4
SATISFACTION AND DISCHARGE.....
Section 4.01 Satisfaction and Discharge of Indenture .....
Section 4.02 Application of Trust Money .....
Section 4.03 Application to a Specific Series of Securities .....

ARTICLE 5
REMEDIES .....

Section 5.01 Events of Default .....
Section 5.02 Acceleration of Maturity; Rescission and Annulment .....
Section 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee .....
Section 5.04 Trustee May File Proofs of Claim .....
Section 5.05 Trustee May Enforce Claims Without Possession of Securities .....
Section 5.06 Application of Money Collected .....
Section 5.07 Limitation on Suits.....
Section 5.08 Unconditional Right of Holders to Receive Principal, Premium and Inter
Section 5.09 Restoration of Rights and Remedies .....
Section 5.10 Rights and Remedies Cumulative.....
Section 5.11 Delay or Omission Not Waiver .....
Section 5.12 Control by Holders.....
Section 5.13 Waiver of Past Defaults .....
Section 5.14 Undertaking for Costs.....

ARTICLE 6
THE TRUSTEE .....
Section 6.01 Certain Duties and Responsibilities of the Trustee .....
Section 6.02 Notice of Defaults .....
Section 6.03 Certain Rights of Trustee .....
Section 6.04 Not Responsible for Recitals or Issuance of Securities .....
Section 6.05 May Hold Securities .....
Section 6.06 Money Held in Trust.....
Section 6.07 Compensation and Reimbursement.....
Section 6.08 Disqualification; Conflicting Interests.....
Section 6.09 Corporate Trustee Required; Eligibility.....
Section 6.10 Resignation and Removal; Appointment of Successor.....
Section 6.11 Acceptance of Appointment by Successor.....
Section 6.12 Merger, Conversion, Consolidation or Succession to Business.....
Section 6.13 Preferential Collection of Claims Against Company.....
Section 6.14 Appointment of Authenticating Agent.....
Section 6.15 Compliance with Tax Laws.....

ARTICLE 7
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY .....
Section 7.01 Company to Furnish Trustee Names and Addresses of Holders .....
Section 7.02 Preservation of Information; Communications to Holders .....
Section 7.03 Reports by Trustee .....
Section 7.04 Reports by Company .....

ARTICLE 8
CONSOLIDATION, MERGER, LEASE, SALE OR TRANSFER .....
Section 8.01 When Company May Merge, Etc. .....
Section 8.02 Opinion of Counsel .....
Section 8.03 Successor Corporation Substituted .....

ARTICLE 9
SUPPLEMENTAL INDENTURES .....
Section 9.01 Supplemental Indentures Without Consent of Holders .....
Section 9.02 Supplemental Indentures with Consent of Holders .....
Section 9.03 Execution of Supplemental Indentures.....
Section 9.04 Effect of Supplemental Indentures.....
Section 9.05 Conformity with Trust Indenture Act .....
Section 9.06 Reference in Securities to Supplemental Indentures .....

ARTICLE 10
COVENANTS .....
Section 10.01 Payments of Securities .....
Section 10.02 Maintenance of Office or Agency .....
Section 10.03 Compliance Certificates .....
Section 10.04 Waiver of Stay, Extension or Usury Laws .....
Section 10.05 Money for Securities Payments to Be Held in Trust .....

Section 10.06 Waiver of Certain Covenants .....

ARTICLE 11
REDEMPTION OF SECURITIES .....
Section 11.01 Applicability of Article .....
Section 11.02 Election to Redeem; Notice to Trustee 4.....
Section 11.03 Selection by Trustee of Securities to Be Redeemed .....
Section 11.04 Notice of Redemption .....
Section 11.05 Deposit of Redemption Price .....
Section 11.06 Securities Payable on Redemption Date .....
Section 11.07 Securities Redeemed in Part .....

ARTICLE 12
SINKING FUNDS 46
Section 12.01 Applicability of Article .....
Section 12.02 Satisfaction of Sinking Fund Payments with Securities .....
Section 12.03 Redemption of Securities for Sinking Fund .....

ARTICLE 13
DEFEASANCE AND COVENANT DEFEASANCE .....
Section 13.01 Applicability of Article; Company's Option to
Effect Defeasance or Covenant Defeasance.....
Section 13.02 Defeasance and Discharge .....
Section 13.03 Covenant Defeasance .....
Section 13.04 Conditions to Defeasance or Covenant Defeasance .....
Section 13.05 Deposited Money and Government Obligations To Be Held in Trust .....
Section 13.06 Reinstatement .....

ARTICLE 14
GUARANTEES .....
Section 14.01 Guarantee .....

INDENTURE, dated as of _____, 200_, between SALEM COMMUNICATIONS HOLDING CORP (herein called the "COMPANY"), the GUARANTORS listed on Schedule 1 hereto (herein called the "GUA a New York banking corporation, as Trustee (herein called the "TRUSTEE").

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the i senior unsecured debentures, notes or other evidences of indebtedness (herein called the "SECURIT series as in this Indenture provided. All things necessary to make this Indenture a valid agree with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holde covenanted and agreed, for the equal and ratable benefit of the Holders of the Securities, as fol

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. For all purposes of this Indenture, except as otherwise expre otherwise requires:

(1) he terms defined in this Article have the meanings assigned to them in this Art as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, eithe therein, or defined by Commission rule and not otherwise defined herein, have the meanings assign

(3) al accounting terms not otherwise defined herein have the meanings assigned to

(4) the word "INCLUDING" (and with correlative meaning "INCLUDE") means including, generality of, any description preceding such term; and

(5) he words "HEREIN," "HEREOF" and "HEREUNDER" and other words of similar import whole and not to any particular Article, Section or other subdivision.

"ACT," when used with respect to any Holder, has the meaning specified in Section 1.04.

"AFFILIATE" of any specified Person means any other Person directly or indirectly contro direct or indirect common control with such specified Person. For purposes of this definition, "C meanings, the terms "CONTROLLING," "CONTROLLED BY" and "UNDER COMMON CONTROL WITH"), as used with the possession, directly or indirectly, of the power to direct or cause the direction of the mana whether through the ownership of voting securities, by agreement or otherwise. For purposes of th "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"AUTHENTICATING AGENT" means any Person authorized by the Trustee to act on behalf of th

"BANKING DAY" has the meaning specified in Section 1.15.

"BANKRUPTCY LAW" means Title 11, U.S. Code or any similar federal or state law for the r

"BOARD OF DIRECTORS" means the board of directors of the Company; provided, however, tha or resolutions of the Board of Directors, then the term "BOARD OF DIRECTORS" shall also mean any Board of Directors of the Company authorized to act with respect to any particular matter to exer Directors of the Company.

"BOARD RESOLUTION" means a copy of a resolution certified by the Secretary or an Assista been duly adopted by the Board of Directors and to be in full force and effect on the date of suc the Trustee.

"BUSINESS DAY," when used with respect to any Place of Payment or any other particular l Indenture or in the Securities of any series, means each Monday, Tuesday, Wednesday, Thursday and banking institutions in that Place of Payment are authorized or obligated by law or regulation to close.

"CAPITAL STOCK" means, with respect to any Person, any and all shares, interests, partic or other equivalents (however designated) of capital stock or any other equity interest of such P common stock and preferred stock.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constitu or, if at any time after the execution of this instrument such Commission is not existing and per it under the Trust Indenture Act, then the body performing such duties at such time.

"COMPANY" means the Person named as the "Company" in the first paragraph of this Indentu other entity shall have become such pursuant to the applicable provisions of this Indenture, and successor corporation.

"COMPANY REQUEST" or "COMPANY ORDER" means a written request or order signed in the name at least one of whom must be its Chairman of the Board, its Chief Executive Officer, its Presiden Chief Accounting Officer, its Treasurer, an Assistant Treasurer or its Controller, and delivered

"CORPORATE TRUST OFFICE" means the office of the Trustee at which at any particular time be principally administered, which office at the date hereof is located at the Bnak of New York, New York 10286, Attention: Corporate Trust Administration.

"COVENANT DEFEASANCE" has the meaning specified in Section 13.03.

"CURRENCY UNIT" or "CURRENCY UNITS" shall mean any composite currency.

"CUSTODIAN" means any receiver, custodian, trustee, assignee, liquidator, sequestrator o Bankruptcy Law.

"DEFAULT" means any event which is, or after notice or passage of time or both would be,

"DEFAULTED INTEREST" has the meaning specified in Section 3.07.

"DEFEASANCE" has the meaning specified in Section 13.02.

"DEPOSITARY" means, with respect to the Securities of any series issuable or issued in w
or more global Securities, the Person designated as Depositary by the Company pursuant to Section
shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "D
each Person who is then a Depositary hereunder, and if at any time there is more than one such Pe
Depositary with respect to the Securities of that series.

"DOLLARS" and "$" means lawful money of the United States of America.

"EVENT OF DEFAULT" has the meaning specified in Section 5.01.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time,
promulgated thereunder.

"GAAP" means such accounting principles as are generally accepted in the United States o
date hereof.

GUARANTEE" means the guarantee by any Guarantor of the obligations under this Indenture.

"HOLDER" or "SECURITYHOLDER" means a Person in whose name a Security is registered in th

"INDEBTEDNESS" means, with respect to any Person (without duplication for indebtedness o
any indebtedness of such Person for money borrowed, whether incurred, assumed or guaranteed, and
capitalized leases.

"INDENTURE" means this instrument as originally executed or as it may from time to time
more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and
particular series of Securities established as contemplated hereunder.

"INTEREST," when used with respect to an Original Issue Discount Security which by its t
Maturity, means interest payable after Maturity.

"INTEREST PAYMENT DATE," when used with respect to any Security, means the Stated Maturi
such Security.

"JUDGMENT CURRENCY" has the meaning specified in Section 1.15.

"MATURITY," when used with respect to any Security, means the date on which
the principal of such Security or an installment of principal becomes due and payable as therein
Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"OFFICER" means, with respect to any Person, the Chairman of the Board, the Chief Execut
Chief Operating Officer, any Vice President, the Chief Financial Officer, the Chief Accounting Of
Treasurer, the Controller, any Assistant Controller, the Secretary or any Assistant Secretary of

"OFFICERS' CERTIFICATE" means a certificate signed by any two Officers of the Company, a
Chief Executive Officer, its President, its Chief Financial Officer, its Chief Accounting Officer
and delivered to the Trustee.

"OPINION OF COUNSEL" means a written opinion of counsel, who may be an employee of or co
be reasonably acceptable to the Trustee.

"ORIGINAL ISSUE DISCOUNT SECURITY" means any Security which provides for an amount less
be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section
"OUTSTANDING," when used with respect to Securities or Securities of any series, means,
such Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore canceled by the Trustee or delivered to the Trustee for

(ii) Securities, or portions thereof, for whose payment or redemption money in the been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Hol Securities; provided that, if such Securities are to be redeemed, notice of such redemption has b to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made;

(iii) Securities which have been paid as provided herein or in exchange for or in lie Securities have been authenticated and delivered pursuant to this Indenture, other than any such of which there shall have been presented to the Trustee proof reasonably satisfactory to it that held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company

(iv) Securities which have been defeased pursuant to Section 13.02; provided, howev whether the Holders of the requisite principal amount of the Outstanding Securities have given an authorization, direction, notice, consent or waiver hereunder, or whether sufficient funds are av or for any other purpose and for the purpose of making the calculations required by Section 313 o Act, (a) the principal amount of any Original Issue Discount Security that shall be deemed to be purposes shall be that portion of the principal amount thereof that could be declared to be due a occurrence of an Event of Default and the continuation thereof pursuant to the terms of such Orig Security as of the date of such determination, (b) the principal amount of a Security denominated currencies or currency units shall be the dollar equivalent, determined in the manner provided as Section 3.01 on the date of original issuance of such Security, of the principal amount (or, in t Issue Discount Security, the dollar equivalent on the date of original issuance of such Security determined as provided in (a) above) of such Security, and (c) Securities owned by the Company or the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and Outstanding, except that, in determining whether the Trustee shall be protected in relying upon a demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee kn shall be so disregarded. Securities so owned which have been pledged in good faith may be regarde pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of other obligor.

"PAYING AGENT" means any Person authorized by the Company to pay the principal of, premi Securities on behalf of the Company. The Company may act as Paying Agent with respect to any Secu

"PERSON" means any individual, corporation, partnership, joint venture, association, lim company, trust, unincorporated organization or government or any agency or political subdivision

"PLACE OF PAYMENT," when used with respect to the Securities of any series, means the (and premium, if any) and interest on the Securities of that series are payable as specified as c

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidenci as that evidenced by such particular Security and, for the purposes of this definition, any Secur under Section 3.06 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security debt as the mutilated, destroyed, lost or stolen Security.

"REDEMPTION DATE," when used with respect to any Security of any series to be redeemed, redemption by or pursuant to this Indenture.

"REDEMPTION PRICE," when used with respect to any Security of any series to be redeemed, be redeemed pursuant to this Indenture.

"REGISTERED SECURITY" means any Security issued hereunder and registered in the Security

"REGULAR RECORD DATE" for the interest payable on any Interest Payment Date on the Secur specified for that purpose as contemplated by Section 3.01.

"REQUIRED CURRENCY" has the meaning specified in Section 1.15.

"RESPONSIBLE OFFICER," when used with respect to the Trustee, means any officer of the Trustee assigned to administer corporate trust matters and also means, with respec

matter, any other officer to whom such matter is referred because of his or her knowledge of and subject.

"SECURITIES" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"SECURITY REGISTER" and "SECURITY REGISTRAR" have the respective meanings specified in S

" SIGNIFICANT SUBSIDIARY" of a Person has the meaning ascribed to such term in Rule 1.02 Securities Act of 1933, as amended.

"SPECIAL RECORD DATE" for the payment of any Defaulted Interest means a date fixed by th

"STATED MATURITY," when used with respect to any Security or any installment of princip means the date specified in such Security as the fixed date on which the principal of such Securi or interest is due and payable.

"SUBSIDIARY" means, with respect to any Person:

(1) any corporation, association or other business entity of which more than 50% o power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) t of directors, managers or trustees thereof is at the time owned or controlled, directly or indir or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of or a Subsidiary of such Person or (b) the only general partners of which are such Person or one o such Person (or any combination thereof).

"TRUSTEE" means the Person named as the "Trustee" in the first paragraph of this instrum have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" Securities of any series shall mean the Trustee with respect to Securities of that series.

"TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, as amended, as in force at was executed; provided, however, that in the event that such Act is amended after such date, "Tru extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

"U.S. GOVERNMENT OBLIGATIONS" means securities which are (i) direct obligations of the U payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled agency or instrumentality of the United States of America the timely payment of which is uncondit and credit of the United States of America which, in either case, are not callable or redeemable or otherwise subject to prepayment, and shall also include a depository receipt issued by a New Y company as custodian with respect to any such U.S. Government Obligation, or a specific payment o such U.S. Government Obligation held by such custodian for the account of the holder of a deposit as required by law) such custodian is not authorized to make any deduction from the amount payabl receipt from any amount held by the custodian in respect of the U.S. Government Obligation or the principal of the U.S. Government Obligation evidenced by such depository receipt.

VICE PRESIDENT," when used with respect to the Company or the Trustee, means any vice pr by a number or a word or words added before or after the title "vice president.

"VOTING STOCK" of any Person as of any date means the Capital Stock of such Person that the election of the Board of Directors of such Person.

Section 1.02 Compliance Certificates and Opinions. Upon any application or request by any action under any provision of this Indenture, the Company shall furnish to the Trustee an Off conditions precedent, if any, provided for in this Indenture relating to the proposed action have of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, hav the case of any such application or request as to which the furnishing of such documents is speci this Indenture relating to such particular application or request, no additional certificate or o

Every certificate or opinion with respect to compliance with a condition or covenant pro include:

(a) a statement that each individual signing such certificate or opinion has r condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or inves statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he has made such investigation as is necessary to enable him to express an informed opinion as to whether or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or complied with.

Section 1.03 Form of Documents Delivered to Trustee. In any case where several matters covered by an opinion of, any specified Person, it is not necessary that all such matters be cert of, only one such Person, or that they be so certified or covered by only one document, but one s opinion with respect to some matters and one or more other such Persons as to other matters, and an opinion as to such matters in one or several documents.

Any certificate or opinion of an Officer may be based, insofar as it relates to legal ma of, or representations by, counsel, unless such Officer actually knows that the certificate or op respect to the matters upon which his certificate or opinion is based are erroneous. Any such cer be based, insofar as it relates to factual matters, upon a certificate or opinion of, or represen of the Company stating that the information with respect to such factual matters is in the posses counsel actually knows that the certificate or opinion or representations with respect to such ma

Any certificate, statement or opinion of an Officer of the Company or of counsel may be accounting matters, upon a certificate or opinion of or representations by an accountant or firm Company, unless such Officer or counsel, as the case may be, actually knows that the certificate respect to the accounting matters upon which his or her certificate, statement or opinion is base

Where any Person is required to make, give or execute two or more applications, requests statements, opinions or other instruments under this Indenture, they may, but need not, be consol

Section 1.04 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other be given or taken by Holders may be embodied in and evidenced by one or more instruments of subst such Holders in person or by agents duly appointed in writing; and, except as herein otherwise ex become effective when such instrument or instruments are delivered to the Trustee and, where it i Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) a the "ACT" of the Holders signing such instrument or instruments. Proof of execution of any such i any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01 and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writ a witness of such execution or by a certificate of a notary public or other officer authorized by deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution is by a signer acting in a capacity other than his individual capacity, such certificat sufficient proof of his authority. The fact and date of the execution of any such instrument or w Person executing the same, may also be proved in any other manner which the Trustee deems suffici

(c) The ownership of Registered Securities shall be proved by the Security Register

(d) Any request, demand, authorization, direction, notice, consent, waiver or other shall bind every future Holder of the same Security and the Holder of every Security issued upon or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be in reliance thereon, whether or not notation of such action is made upon such Security.

(e) If the Company shall solicit from the Holders any request, demand, authorizatio or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advanc determination of Holders entitled to give such request, demand, authorization, direction, notice, the Company shall have no obligation to do so, provided that the Company may not set a record dat paragraph shall not apply with respect to, the giving or making of any notice, declaration, reque immediately following paragraph. If such a record date is fixed, such request, demand, authorizat waiver or other Act may be given before or after such record date, but only the Holders of record record date shall be deemed to be Holders for the purposes of determining whether Holders of the Securities have authorized or agreed or consented to such request, demand, authorization, directi Act, and for that purpose the Outstanding Securities shall be computed as of such record date; pr agreement or consent by the Holders on such record date shall be deemed effective unless it shall provisions of this Indenture not later than six months after the record date.

(f) The Trustee shall set a record date, which shall not be more than 15 days prior solicitation of such action contemplated by this section 1.04(f), for the purpose of determining series entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaratio Section 5.02, (iii) any direction referred to in Section 5.12, (iv) any request to institute proc 5.07(2) or (v) any waiver of past defaults pursuant to Section 5.13, in each case with respect to a record date is fixed pursuant to this paragraph, the relevant action may be taken or given befo only the Holders of record at the close of business on such record date shall be deemed to be hol the purpose of determining whether Holders of the requisite proportion of Outstanding Securities agreed or consented to such action, and for that purpose the Outstanding Securities of such serie record date; provided that no such action by Holders on such record date shall be deemed effectiv pursuant to the provisions of this Indenture not later than six months after the record date. Not construed to prevent the Trustee from setting a new record date for any action for which a record paragraph (whereupon the record date previously set shall automatically and with no action by any effect), and nothing in this paragraph shall be construed to render ineffective any action taken principal amount of Outstanding Securities of the relevant series on the date such action is take set pursuant to this paragraph, the Trustee, at the Company's reasonable expense, shall cause not proposed action by Holders to be given to the Company in writing and to each Holder of Securities manner set forth in Section 1.06.

Section 1.05 Notices, Etc., to Trustee and Company. Any request, demand, authorization or Act of Holders or other document provided or permitted by this Indenture to be made upon, give

(a) the Trustee by any Holder or by the Company shall be sufficient for every made, given, furnished or filed in writing and mailed first-class postage prepaid, to or The Bank of New York, 101 Barclay Street, 21 W, New York, New York 10286, Attention: Cor Administration; or

(b) the Company by the Trustee or by any Holder shall be sufficient for every (unless otherwise herein expressly provided) if in writing and mailed, first-class posta Company addressed to it at Salem Communications Holding Corporation, 4880- Santa Rosa Ro Camarillo, CA 93012, Attention: General Counsel, or at any other address previously fur the Trustee by the Company.

Section 1.06 Notice to Holders; Waiver. Where this Indenture or any Security provides such notice shall be deemed sufficiently given (unless otherwise herein or in such Security expre mailed, first- class postage prepaid, to each Holder affected by such event, at his address as it not later than the latest date, and not earlier than the earliest date, prescribed for the giving notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in an particular Holder shall affect the sufficiency of such notice with respect to other Holders or th which such notice relates.

In case by reason of the suspension of regular mail service or by reason of any other ca give such notice by mail, then such notification as shall be made with the approval of the Truste notification for every purpose hereunder.

Any request, demand, authorization, direction, notice, consent or waiver required or per in the English language, except that any published notice may be in an official language of the c

Where this Indenture or any Security provides for notice in any manner, such notice may

entitled to receive such notice, either before or after the event, and such waiver shall be the e notice by Holders shall be filed with the Trustee, but such

Section 1.07 Conflict with Trust Indenture Act. If any provision hereof limits, qualif provision hereof which is required to be included or deemed included in this Indenture by any of Indenture Act, such required provision shall control. If any provision of this Indenture modifies Trust Indenture Act that may be so modified or excluded, such provision of the Trust Indenture Ac Indenture as so modified or shall be excluded, as the case may be.

Section 1.08 Effect of Headings and Table of Contents. The Article and Section heading are for convenience only and shall not affect the construction hereof.

Section 1.09 Successors and Assigns. All covenants and agreements in this Indenture by successors and assigns, whether so expressed or not.

Section 1.10 Separability Clause. In case any provision in this Indenture or in the Se or unenforceable, the validity, legality and enforceability of the remaining provisions shall not thereby.

Section 1.11 Benefits of Indenture. Nothing in this Indenture or in the Securities, ex Person, other than the parties hereto and their successors hereunder and the Holders, any benefit remedy or claim under this Indenture.

Section 1.12 Governing Law. This Indenture and the Securities shall be governed by and laws (other than the choice of law provisions) of the State of New York.

Section 1.13 Legal Holidays. In any case where any Interest Payment Date, Redemption D Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment, provision of this Indenture or of the Securities other than a provision in the Securities of any that such provision shall apply in lieu of this Section) payment of interest or principal (and pr such Place of Payment on such date, but may be made on the next succeeding Business Day or on suc Officers' Certificate pursuant to Section 3.01 at such Place of Payment with the same force and e Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, as the cas shall accrue on the amount so payable for the period from and after such Interest Payment Date, R date, Stated Maturity or Maturity, as the case may be, if payment is made on such next succeeding in such Officers' Certificate.

Section 1.14 No Recourse Against Others. A director, officer, employee or stockholder, Guarantor (other than a stockholder which itself is the Company or a Guarantor of the Securities) any obligations of the Company or any Guarantor under the Securities or this Indenture or for any reason of such obligations or their creation. Each Securityholder, by accepting a Security, waive Such waivers and releases are part of the consideration for the issuance of the Securities.

Section 1.15 Judgment Currency. The Company agrees, to the fullest extent that it may law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert th principal of, or premium or interest, if any, on the Securities of any series (the "REQUIRED CURR judgment will be rendered (the "JUDGMENT CURRENCY"), the rate of exchange used shall be the rate banking procedures the Trustee could purchase in Wilmington, Delaware the Required Currency with Day preceding that on which a final unappealable judgment is given and (b) its obligations under the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pur not entered in accordance with subsection (a)), in any currency other than the Required Currency, tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Re payable in respect of such payments, (ii) shall be enforceable as an alternative or additional ca recovering in the Required Currency the amount, if any, by which such actual receipt shall fall s Required Currency so expressed to be payable and (iii) shall not be affected by judgment being ob this Indenture. For purposes of the foregoing, "BANKING DAY" means any day except a Saturday, Sun New ork, Delaware or a day on which banking institutions in New York, New York are authorized or to close.

Section 1.16 Counterparts. This instrument may be executed in any number of counterpar be deemed to be an original, but all such counterparts shall together constitute but one and the

ARTICLE 2
SECURITY FORMS

Section 2.01 Forms Generally. The Securities of each series shall be in substantially
or in such other form as shall be established by or pursuant to a Board Resolution or in one or m
in each case with such appropriate insertions, omissions, substitutions and other variations as a
Indenture, and may have such letters, numbers or other marks of identification and such legends o
be required to comply with the rules of any securities exchange or as may, consistently herewith,
executing such Securities, as evidenced by their execution of the Securities. If the form of Secu
by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action sh
an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of
Section 3.03 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved b
other manner, all as determined by the officers executing such Securities, as evidenced by their

Section 2.02 Form of Face of Security.

SALEM COMMUNICATIONS HOLDING CORPORATION

No. _____ [$]_____

Salem Communications Holding Corporation, a corporation duly organized and existing unde
called the "COMPANY," which term includes any successor corporation under the Indenture hereinaft
hereby promises to pay to _____, or registered assigns, the principal sum of _____
{if the Security is to bear interest prior to Maturity, insert -and to pay interest thereon from
recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually
_____ in each year {if other than semi-annual payments, insert frequency of payments an
_____, at {if the Security is to bear interest at a fixed rate, insert - the rate
Security is to bear interest at a variable or floating rate and if determined with reference to a
index below} until the principal hereof is paid or made available for payment {if applicable inse
payment of such interest shall be legally enforceable) at the rate of _____% per annum on any ove
any overdue installment of interest}. The interest so payable, and punctually paid or duly provid
will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or
registered at the close of business on the Regular Record Date for such interest, which shall be
(whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. A
paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record
Person in whose name this Security (or one or more Predecessor Securities) is registered at the c
Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall
this series not less than 10 days prior to such Special Record Date, or be paid at any time in an
inconsistent with the requirements of any securities exchange on which the Securities of this ser
notice as may be required by such exchange, all as more fully provided in said Indenture}. {If th
adjustable rate securities with respect to which the principal of or any premium or interest may
index, insert the text of the floating or adjustable rate provision.}

{If the Security is not to bear interest prior to Maturity, insert-The principal of this
except in the case of a default in payment of principal upon acceleration, upon redemption or at
overdue principal of this Security shall bear interest at the rate of _____% per annum (to the ex
interest shall be legally enforceable), which shall accrue from the date of such default in payme
principal has been made or duly provided for. Interest on any overdue principal shall be payable
overdue principal that is not so paid on demand shall bear interest at the rate of _____% per ann
of such interest shall be legally enforceable), which shall accrue from the date of such demand f
such interest has been made or duly provided for, and such interest shall also be payable on dema

{If the Securities are to be Payment-in-Kind Securities, insert the text of the PIK prov

Payment of the principal of (and premium, if any) and {if applicable, insert -any such}
made at the office or agency of the Company maintained for that purpose in _____, in do
provided, however, that at the option of the Company, payment of interest may be made by check ma
entitled thereto as such address shall appear in the Security Register}. {If applicable, insert
of this series are represented by Securities in global form, the principal of, premium, if any, a
Security shall be paid in same day funds to the Depositary, or to such name or entity as is reque

of the Depositary. If at any time the Securities of this series are no longer represented by glob
definitive certificated form, then the principal of, premium, if any, and interest, if any, on ea
shall be paid in same day funds to the Holder upon surrender of such certificated Security at the
Trustee, or at such other place or places as may be designated in or pursuant to the Indenture, p
Security is surrendered to the Trustee, or at such other place or places as may be designated in
provided that such certificated Security is surrendered to the Trustee, acting as Paying Agent, i
such payments in such funds in accordance with its normal procedures. Payments of interest with r
Securities other than at Maturity may, at the option of the Company, be made by check mailed to t
thereto as it appears on the Security Register on the relevant Regular or Special Record Date or
to such account as may have been appropriately designated to the Paying Agent by such Person in w
Regular or Special Record Date.}

Reference is hereby made to the further provisions of this Security set forth on the rev
provisions shall for all purposes have the same effect as if set forth at this place. Unless th
hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, th
any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its

SALEM COMMUNICATIONS HOLDING CORPORATION

By:_____
Name:
Title:

Attest:

{SEAL}

200_

Section 2.03 Form of Reverse of Security.

This Security is one of a duly authorized issue of securities of the Company (herein cal
be issued in one or more series under an Indenture, dated as of _____, 200_ (herein cal
Company and The Bank of New York, as Trustee (herein called the "TRUSTEE," which term includes an
Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made f
rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and t
the terms upon which the Securities are, and are to be, authenticated and delivered. This Securi
on the face hereof {, limited in aggregate principal amount to $ - - - - -}.

[If applicable, insert - The Securities of this series are subject to redemption upon no
days' notice by first class mail, {if applicable, insert - (1) on _____ in any year commenci
ending with the year _____ through operation of the sinking fund for this series at a Redemp
principal amount, and (2)] at any time (on or after _____, _____), as a whole or in part, at
following Redemption Prices (expressed as percentages of the principal amount):

If redeemed {on or before _____, _____%, and if redeemed} during the 12-month
the years indicated,

YEAR	REDEMPTION PRICE
- - - -	- - - - - - - - - --

and thereafter at a Redemption Price equal to _____% of the principal amount, together in the cas

applicable, insert - (whether through operation of the sinking fund or otherwise)} with accrued a
Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will
Securities, or one or more Predecessor Securities, of record at the close of business on the rele
face hereof, all as provided in the Indenture.}

{If applicable, insert - The Securities of this series are subject to redemption upon no
days' notice by first class mail, (1) on _____ in any year commencing with the year ___
_____ through operation of the sinking fund for this series at the Redemption Prices for red
sinking fund (expressed as percentages of the principal amount) set forth in the table below, and
_____}, as a whole or in part, at the election of the Company, at the Redemption Prices for
operation of the sinking fund (expressed as percentages of the principal amount) set forth in the

If redeemed during a 12-month period beginning _____ of the years indicated,

Redemption Price For Redemption Sinking Fund	Redemption Price For Redemption Otherwise Than Through Operation of The Through Operation of The Sinking Fund
- - - - - - - -	- - - - - - - -

series to be affected under the Indenture at any time by the Company and the Trustee with the co
in principal amount of the Securities at the time Outstanding of each series to be affected. Th
permitting the Holders of a majority in principal amount of the Securities of each series at the
Holders of all Securities of such series, to waive compliance by the Company with certain provisi
past defaults under the Indenture and their consequences. Any such consent or waiver by the Hol
Holder and all future Holders of this Security and of any Security issued upon the registration o
hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Se

No reference herein to the Indenture and no provision of this Security or of the Indent
obligation of the Company, which is absolute and unconditional, to pay the principal of (and pre
Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the
registrable in the Security Register, upon surrender of this Security for registration of transf
Company in any place where the principal of (and premium, if any) and interest on this Security
accompanied by a written instrument of transfer in form satisfactory to the Company and the Sec
Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securiti
denominations and for the same Stated Maturity and aggregate principal amount, will be issued to
transferees.

The Securities of this series are issuable only in registered form without coupons in d
integral multiple thereof. As provided in the Indenture and subject to certain limitations there
series are exchangeable for a like aggregate principal amount of Securities of this series of a
as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but
sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, th
Company or the Trustee may treat the Person in whose name this Security is registered as the own
or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall b
contrary.

The Indenture imposes certain limitations on the ability of the Company to, among other
any other Person or sell, assign, transfer or lease all or substantially all of its properties o
applicable pursuant to the provisions of Section 3.01, insert here}. All such covenants and limi
important qualifications and exceptions. The Company must report periodically to the Trustee on
the Indenture.

A director, officer, employee or stockholder, as such, of the Company shall not have an
the Company under this Security or the Indenture or for any claim based on, in respect of or by
their creation. Each Holder, by accepting a Security, waives and releases all such liability. Th
the consideration for the issuance of this Security.

{If applicable, insert - A director, officer, employee or stockholder, as such, of the
liability for any obligations of the Company or such Guarantor under this Security or the Indent
the supplemental indenture} or for any claim based on, in respect of or by reason of, such oblig
Holder, by accepting a Security, waives and releases all such liability. The waiver and release
the issuance of this Security.}

{If applicable, insert - This Security will be entitled to the benefits of certain Gua
Holders. Reference is hereby made to the Indenture and the supplemental indenture for a statement
limitations of rights, duties and obligations thereunder of the Guarantors, if any, the Trustee

{If applicable, insert - Pursuant to a recommendation promulgated by the Committee on U
Procedures ("CUSIP"), the Company has caused CUSIP numbers to be printed on the Securities of th
Holders of the Securities of this series. No representation is made as to the correctness or acc
the Securities of this series and reliance may be placed only on the other identification numbe

All terms used in this Security which are defined in the Indenture shall have the meani
Indenture.

ASSIGNMENT FORM

To assign this Security, fill in the form below: (I) or (we) assign and transfer this S

_____

(Insert assignee's social security or tax I.D. number)

_____

_____

_____

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ agent to transfer this Security on t
may substitute another to act for him.

Dated: _____.....Your Signature: _____

(Sign exactly as your name appears on the ot
side of this Security)

Signature Guaranty: _____

Signatures must be guaranteed by an "eligible guarantor institution"
Transfer Agent, which requirements will include membership or particip
"signature guarantee program" as may be determined by the Transfer Ag
substitution for, STAMP, all in accordance with the Exchange Act.}

Social Security Number or Taxpayer Identification Number: _____

Section 2.04 Form of Trustee's Certificate of Authentication. The Trustee's certific
substantially the following form:

Dated: _____

This is one of the Securities of the series designated therein referred to in the withi

THE BANK OF NEW YORK

_____

As Trustee

By _____

Authorized Signatory

Section 2.05 Securities in Global Form. If Securities of or within a series are issua
form, then any such Security of such series may provide that it shall represent the aggregate or
Outstanding Securities of such series from time to time endorsed thereon and may also provide th
Outstanding Securities of such series represented thereby may from time to time be reduced or in
endorsement of a Security in global form to reflect the amount, or any increase or decrease in t
of Holders, of Outstanding Securities represented thereby shall be made in such manner and upon
or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee
3.04. Subject to the provisions of Section 3.03 and, if applicable, Section 3.04, the Trustee sh
Security in permanent global form in the manner and upon instructions given by the Person or Per
applicable Company Order. If a Company Order pursuant to Section 3.03 or 3.04 has been, or simul
instructions by the Company with respect to endorsement or delivery or redelivery of a Security
but need not comply with Section 1.02 and need not be accompanied by an Opinion of Counsel.

The provisions of the last paragraph of Section 3.03 shall apply to any Security repres
if such Security was never issued and sold by the Company and the Company delivers to the Truste
together with written instructions (which need not comply with Section 1.02 and need not be acco
with regard to the reduction in the principal amount of Securities represented thereby.

Notwithstanding the provisions of Sections 2.01 and 3.07, unless otherwise specified as
payment of principal of and premium, if any, and interest on any Security in permanent global fo
Persons specified therein.

Section 2.06 Form of Legend for the Securities in Global Form. Any Security in global f

hereunder shall bear a legend in substantially the following form, or in such other form as may reflect the arrangements with or to comply with the requirements of any Depositary:

"THIS SECURITY IS IN GLOBAL FORM WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFER REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UNLESS AND UNTIL I WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM IN THE LIMITED CIRCUMSTANCES DESC INDENTURE, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF TH THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCE

ARTICLE 3
THE SECURITIES

Section 3.01 Amount Unlimited; Issuable in Series. The aggregate principal amount of authenticated and delivered under this Indenture is unlimited.

The Securities may be issued from time to time in one or more series. Prior to the issu there shall be established in or pursuant to (i) a Board Resolution, (ii) action taken pursuant to Section 3.03) set forth, or determined in the manner provided, in an Officers' Certificate, o supplemental hereto:

(1) the title of the Securities of the series (which shall distinguish the Sec all other Securities);

(2) the purchase price, denomination and any limit upon the aggregate principa of the series which may be authenticated and delivered under this Indenture (except for and delivered upon registration of transfer of, or in exchange for, or in lieu of, other pursuant to Sections 3.04, 3.05, 3.06, 9.06 or 11.07);

(3) the date or dates on which the principal of and premium, if any, on the Se payable or the method of determination thereof;

(4) the rate or rates at which the Securities of the series shall bear interes of calculating such rate or rates of interest, whether the interest on the Securities wi additional Securities and if so, the terms and provisions for the payment of such additi including, without limitation, the method for calculating the amount of additional Sec date or dates from which such interest shall accrue or the method by which such date or determined, the Interest Payment Dates on which any such interest shall be payable and t if any, for the interest payable on any Interest Payment Date;

(5) the place or places where the principal of, premium, if any, and interest, the series shall be payable;

(6) the place or places where the Securities may be exchanged or transferred;

(7) the period or periods within which, the price or prices at which, the cur (including currency unit or units) in which, and the other terms and conditions upon wh series may be redeemed, in whole or in part, at the option of the Company, and, if othe Section 11.03, the manner in which the particular Securities of such series (if less th series are to be redeemed) are to be selected for redemption;

(8) the obligation, if any, of the Company to redeem or purchase Securities o in part pursuant to any sinking fund or analogous provisions or upon the happening of a the option of a Holder thereof and the period or periods within which, the price or pri other terms and conditions upon which Securities of the series shall be redeemed or pur part, pursuant to such obligation;

(9) if other than denominations of $1,000 and any integral multiple thereof, Securities of the series shall be issuable;

(10) if other than U.S. dollars, the currency or currencies (including curren payments of principal of, premium, if any, and interest on the Securities of the series

or in which the Securities of the series shall be denominated, and the particular provi thereto;

(11) if the payments of principal of, premium, if any, or interest on the Sec to be made, at the election of the Company or a Holder, in a currency or currencies (in units) other than that in which such Securities are denominated or designated to be pay currencies (including currency unit or units) in which such payments are to be made, th such payments and the manner in which the exchange rate with respect to such payments s the particular provisions applicable thereto;

(12) if the amount of payments of principal of, premium, if any, and interest series shall be determined with reference to an index, formula or other method (which i may be based, without limitation, on a currency or currencies (including currency unit that in which the Securities of the series are denominated or designated to be payable) other method by which such amounts shall be determined;

(13) if other than the principal amount thereof, the portion of the principal the series which shall be payable upon declaration of acceleration of the Maturity ther 5.02 or the method by which such portion shall be determined;

(14) any modifications of or additions to the Events of Default or the covena forth herein with respect to Securities of the series; and whether and the conditions u the Securities of the series may waive any such Event of Default or compliance with any to the Securities of such series;

(15) if either or both of Section 13.02 and Section 13.03 shall be inapplicab to the Securities of the series (provided that if no such inapplicability shall be spec 13.02 and Section 13.03 shall be applicable to the Securities of the series); and any such section as it relates to such series of Securities;

(16) if other than the Trustee, the identity of the Registrar and any Paying

(17) if the Securities of the series shall be issued in whole or in part in Depositary for such global Securities, (ii) the form of any legend in addition to or in 2.06 which shall be borne by such global Security, (iii) whether beneficial owners of i Securities of the series in global form may exchange such interests for certificated Se and of like tenor of any authorized form and denomination, and (iv) if other than as pr the circumstances under which any such exchange may occur;

(18) if the Holders of the Securities of the series may convert or exchange t series into or for securities of the Company or of other entities or other property (or the specific terms of and period during which such conversion or exchange may be made;

(19) if the Securities of the series shall have the benefits of any Guarantee of the Guarantor or Guarantors and the terms and provisions applicable to any such Guar

(20) any provisions for the satisfaction and discharge of the Securities of t provisions in addition to or modifying the provisions of Article 4 as they pertain to S

(21) any addition to or change in the covenants set forth in Article 10 which the series; and

(22) any other terms of the series, including any terms which may be required laws of the United States of America or regulations thereunder or advisable (as determi connection with the marketing of Securities of the series.

All Securities of any one series shall be substantially identical except as to denomina provided (i) by a Board Resolution, (ii) by action taken pursuant to a Board Resolution and (sub determined in the manner provided, in an Officers' Certificate or (iii) in any such indenture su of any one series need not be issued at the same time and, unless otherwise provided, a series m of the Holders, for issuances of additional Securities of such series.

If any of the terms of the Securities of any series are established by action taken pur of an appropriate record of such action shall be certified by the Secretary or an Assistant Secr to the Trustee at or prior to the delivery of the Officers' Certificate setting forth, or provid terms of the Securities of such series, and an appropriate record of any action taken pursuant t issuance of any Securities of such series shall be delivered to the Trustee prior to the authent

Section 3.02 Denominations. The Securities of each series shall be issuable in regist denominations as shall be specified as contemplated by Section 3.01. In the absence of any such Securities of any series, the Securities of such series shall be issuable in denominations of $1 thereof.

Section 3.03 Execution, Authentication, Delivery and Dating. The Securities shall be its Chairman of the Board, its Chief Executive Officer, its President, its Chief Financial Offic attested by its Secretary or one of its Assistant Secretaries. The signature of any of these off manual or facsimile. Typographical and other minor errors or defects in any such reproduction of shall not affect the validity or enforceability of any Security that has been duly authenticated

Securities bearing the manual or facsimile signatures of individuals who were at any ti Company shall bind the Company, notwithstanding that such individuals or any of them have ceased authentication and delivery of such Securities or did not hold such offices at the date of such

At any time and from time to time after the execution and delivery of this Indenture, t any series executed by the Company to the Trustee for authentication, together with a Company Ord delivery of such Securities, and the Trustee in accordance with the Company Order shall authentic available for delivery. If the form or terms of the Securities of the series have been establis Board Resolutions as permitted by Sections 2.01 and 3.01, in authenticating such Securities, and responsibilities under this Indenture in relation to such Securities, the Trustee shall be entit Sections 315(a) through (d) of the Trust Indenture Act) shall be fully protected in relying upon (subject to customary assumptions, conditions and exceptions):

(a) if the terms of such Securities have been established by or pursuant to Bo permitted by Section 3.01, that such terms have been established in conformity with the Indenture; and

(b) that such Securities, when authenticated and delivered by the Trustee and in the manner and subject to any conditions specified in such Opinion of Counsel, will c legally binding obligations of the Company, enforceable in accordance with their terms, enforceability may be limited by applicable bankruptcy, insolvency, reorganization, mora conveyance and other similar laws affecting the enforcement of creditors' rights general general principles of equity (regardless of whether enforceability is considered in a pr at law).

If such terms have been so established, the Trustee shall not be required to authentica such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immun Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee, or in the Trustee (which counsel may be an employee of the Trustee) such authentication may not lawfully b in personal liability.

Notwithstanding the provisions of Section 3.01 and of the immediately preceding paragra are not to be originally issued at one time, it shall not be necessary to deliver the Board Reso Certificate otherwise required pursuant to Section 3.01 or the Company Order and Opinion of Coun the second preceding paragraph at or prior to the time of authentication of each Security of su delivered at or prior to the authentication upon original issuance of the first Security of such

If the Company shall establish pursuant to Section 3.01 that the Securities of a series part in the form of one or more global Securities, then the Company shall execute and the Trustee Section and the Company Order with respect to the authentication and delivery of such series, aut Securities of such series in global form that (i) shall be in an aggregate amount equal to the ag Outstanding Securities of such series to be represented by such Security or Securities in global the name of the Depositary for such Security or Securities in global form or its nominee, and (i delivery by the Trustee to such Depositary or pursuant to such Depositary's instruction.

The Trustee shall have no responsibility to determine if the Depositary is so registere an agreement with the Trustee and the Company governing the respective duties and rights of such Trustee with regard to Securities issued in global form.

Unless otherwise provided for in the form of Security, each Security shall be dated the

No Security shall be entitled to any benefits under this Indenture or be valid or oblig appears on such Security a certificate of authentication substantially in the form provided for an Authenticating Agent by manual signature, and such certificate upon any Security shall be con evidence, that such Security has been duly authenticated and delivered hereunder and is entitled

Notwithstanding the foregoing, if any Security shall have been authenticated and delive sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation together with a written statement (which need not comply with Section 1.02 and need not be accom stating that such Security has never been issued and sold by the Company, for all purposes of thi deemed never to have been authenticated and delivered hereunder and shall not be entitled to the

Section 3.04 Temporary Securities. Pending the preparation of definitive Securities of execute, and upon Company Order the Trustee shall authenticate and make available for delivery, t which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authori the tenor of the definitive Securities in lieu of which they are issued and with such appropria substitutions and other variations as the officers executing such Securities may determine, as e Securities.

In the case of Securities of any series, such temporary Securities may be in global for the Outstanding Securities of such series.

Except in the case of temporary Securities in global form (which shall be exchanged in thereof), if temporary Securities of any series are issued, the Company will cause definitive Se prepared without unreasonable delay. After the preparation of definitive Securities of such seri series shall be exchangeable for definitive Securities of such series upon surrender of the tem the office or agency of the Company in a Place of Payment for that series, without charge to the cancellation of any one or more temporary Securities of any series, the Company shall execute an make available for delivery in exchange therefor a like principal amount of definitive Securiti denominations and of like tenor. Until so exchanged, the temporary Securities of any series shal the same benefits under this Indenture as definitive Securities of such series.

Section 3.05 Registration, Registration of Transfer and Exchange. The Company shall c Trust Office of the Trustee or in any office or agency to be maintained by the Company in accord of Payment a register (the register maintained in such office and in any other office or agency Payment being herein sometimes collectively referred to as the "SECURITY REGISTER") in which, su as it may prescribe, the Company shall provide for the registration of Securities and of registr The Trustee is hereby appointed SECURITY REGISTRAR for the purpose of registering Securities an provided. Upon surrender for registration of transfer of any Security of any series at the offic Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate the name of the designated transferee or transferees, one or more new Securities of the same ser and of a like aggregate principal amount and Stated Maturity.

At the option of the Holder, Securities of any series (except a Security in global form Securities of the same series, of any authorized denominations and of a like aggregate principal surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are Company shall execute, and the Trustee shall authenticate and make available for delivery, the S the exchange is entitled to receive.

Each Security issued in global form authenticated under this Indenture shall be registe designated for such series or a nominee thereof and delivered to such Depositary or a nominee th each such Security issued in global form shall constitute a single Security for all purposes of

Notwithstanding any other provision of this Section, unless and until it is exchanged i certificated form in the circumstances described below, a Security in global form representing a of a series may not be transferred except as a whole by the Depositary for such series to a nomi nominee of such Depositary to such Depositary or another nominee of such Depositary or by such D

successor Depositary for such series or a nominee of such successor Depositary.

If at any time the Depositary for the Securities of a series notifies the Company that continue as Depositary for the Securities of such series or defaults in the performance of its d time the Depositary for the Securities of such series shall no longer be eligible to perform suc a successor Depositary with respect to the Securities of such series. If a successor Depositary is not appointed by the Company within 90 days after the Company receives such notice or becomes Company's selection pursuant to Section 3.01(b)(17) shall no longer be effective with respect to the Company shall execute, and the Trustee, upon receipt of a Company Order for the authenticati Securities of such series of like tenor, shall authenticate and deliver Securities of such serie form, in authorized denominations and in an aggregate principal amount equal to the principal am of such series of like tenor in global form in exchange for such Security or Securities in glob

The Company may at any time in its sole discretion determine that Securities issued in represented by such a Security or Securities in global form. In such event the Company shall exe of a Company Order for the authentication and delivery of certificated Securities of such series and deliver, Securities of such series of like tenor in certificated form, in authorized denomin principal amount equal to the principal amount of the Security or Securities of such series of l for such Security or Securities in global form.

If specified by the Company pursuant to Section 3.01 with respect to a series of Securi may surrender a Security in global form of such series in exchange in whole or in part for Secur certificated form on such terms as are acceptable to the Company and such Depositary. Thereupon, Trustee shall authenticate and deliver, without service charge,

(i) to each Person specified by such Depositary a new certified Security or Se series of like tenor, of any authorized denomination as requested by such Person in aggr equal to and in exchange for such Person's beneficial interest in the Security in global

(ii) to such Depositary a new Security in global form of like tenor in a denom difference, if any, between the principal amount of the surrendered Security in global f principal amount of certificated Securities delivered to Holders thereof.

Upon the exchange of a Security in global form for Securities in certificated form, suc canceled by the Trustee. Securities issued in exchange for a Security in global form pursuant to in such names and in such authorized denominations as the Depositary for such Security in global from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee s Persons in whose names such Securities are so registered.

Whenever any Securities are surrendered for exchange, the Company shall execute, and th deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as th registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange sh or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form Security Registrar duly executed by the Holder thereof or his attorney duly authorized in writin

Unless otherwise provided in the Securities to be transferred or exchanged, no service registration of transfer or exchange of Securities, but the Company may require payment of a sum other governmental charge that may be imposed in connection with any registration of transfer or exchanges pursuant to Section 3.04, 9.06 or 11.07 not involving any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeem required (i) to issue, register the transfer of or exchange Securities of such series during a p business 15 days before the day of the mailing of a notice of redemption of Securities of that s Section 11.03 and ending at the close of business on the day of such mailing, or (ii) to regist Security so selected for redemption, in whole or in part, except the unredeemed portion of any S

The foregoing provisions relating to registration, transfer and exchange may be modifie

respect to any series of Securities by a Board Resolution or in one or more indentures supplemen

Section 3.06 Mutilated, Destroyed, Lost and Stolen Securities. If any mutilated Secur the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisf theft of any Security and (ii) such security or indemnity as may be required by them to save eac of them harmless, then, in the absence of notice to the Company or the Trustee that such Securit purchaser, the Company shall execute and upon its request the Trustee shall authenticate and del lost or stolen Security, a new Security of the same series and of like tenor and principal amou contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about t Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the p any tax or other governmental charge that may be imposed in relation thereto and any other expen expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroy constitute an original additional contractual obligation of the Company, whether or not the dest shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this In with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 3.07 Payment of Interest; Interest Rights Preserved. Interest on any Security paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose nam Predecessor Securities) is registered at the close of business on the Regular Record Date for su

Any interest on any Security of any series which is payable, but is not punctually paid Interest Payment Date (herein called "DEFAULTED INTEREST") shall forthwith cease to be payable t Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be pai each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Per Securities of such series (or their respective Predecessor Securities) are registered at on a Special Record Date for the payment of such Defaulted Interest, which shall be fixe manner. The Company shall notify the Trustee in writing of the amount of Defaulted Inter on each Security of such series and the date of the proposed payment (which shall be not after the receipt by the Trustee of such notice, unless such Trustee shall consent to an the same time the Company shall deposit with the Trustee an amount of money equal to the proposed to be paid in respect of such Defaulted Interest or shall make arrangements rea to the Trustee for such deposit prior to the date of the proposed payment, such money wh in trust for the benefit of the Persons entitled to such Defaulted Interest as in this C Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted not more than 15 days and not less than 10 days prior to the date of the proposed paymen days after the receipt by the Trustee of the notice of the proposed payment. The Truste the Company of such Special Record Date and, in the name and at the reasonable expense o cause notice of the proposed payment of such Defaulted Interest and the Special Record D mailed, first-class postage prepaid, to each Holder of Securities of such series at his in the Security Register, not less than 10 days prior to such Special Record Date. Noti payment of such Defaulted Interest and the Special Record Date therefor having been so m Interest shall be paid to the Persons in whose names the Securities of such series (or t Predecessor Securities) are registered at the close of business on such Special Record D be payable pursuant to the following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities o other lawful manner not inconsistent with the requirements of any securities exchange on may be listed, and upon such notice as may be required by such exchange, if, after notic

to the Trustee of the proposed payment pursuant to this Clause (2), such manner of payme practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this transfer of or in exchange for or in lieu of any other Security shall carry the rights to interes accrue, which were carried by such other Security.

Section 3.08 Persons Deemed Owners. Prior to due presentment of a Security for regist Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Secu such Security for the purpose of receiving payment of principal of, premium, if any, and (subjec interest on such Security and for all other purposes whatsoever, whether or not such Security b the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contr

None of the Company, the Trustee or any agent of the Company or the Trustee shall have any aspect of the records relating to or payments made on account of beneficial ownership intere for maintaining, supervising or reviewing any records relating to such beneficial ownership inte foregoing, with respect to any Security in global form, nothing herein shall prevent the Company Company or the Trustee, from giving effect to any written certification, proxy or other authoriz (or its nominee), as a Holder, with respect to such Security in global form or impair, as betwee beneficial interests in such Security in global form, the operation of customary practices gover such Depositary (or its nominee) as holder of such Security in global form.

Section 3.09 Cancellation. All Securities surrendered for payment, redemption, regist for credit against any sinking fund payment shall, if surrendered to any Person other than the T and shall be promptly canceled by it. The Company may at any time deliver to the Trustee for can authenticated and delivered hereunder which the Company may have acquired in any manner whatsoev shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or i canceled as provided in this Section, except as expressly permitted by this Indenture. All cance Trustee and may be destroyed (and, if so destroyed, certification of their destruction shall be a Company Order, the Company shall direct that canceled Securities be returned to it).

Section 3.10 Computation of Interest. Except as otherwise specified as contemplated b series, interest on the Securities of each series shall be computed on the basis of a year of tw

Section 3.11 CUSIP Number. The Company in issuing Securities of any series may use a Trustee may use the CUSIP number in notices of redemption or exchange as a convenience to Holder any such notice may state that no representation is made as to the correctness or accuracy of th or on the Securities of such series, and that reliance may be placed only on the other identifi Securities, and any such redemption shall not be affected by any defect in or omission of such n notify the Trustee of any change in the CUSIP number of any series of Securities.

Section 3.12 Wire Transfers. Notwithstanding any other provision to the contrary in t any payment of moneys required to be deposited with the Trustee on account of principal of, or p Securities (whether pursuant to optional or mandatory redemption payments, interest payments or immediately available funds to an account designated by the Trustee on or before the date and ti Holders of the Securities in accordance with the terms hereof.

ARTICLE 4
SATISFACTION AND DISCHARGE

Section 4.01 Satisfaction and Discharge of Indenture. This Indenture shall cease to b any surviving rights of registration of transfer or exchange of Securities and replacement of su lost, stolen or mutilated as herein expressly provided for or in the form of Security for such s Company Request and at the expense of the Company, shall execute proper instruments acknowledgi this Indenture, when

(1) either (a) all Securities theretofore authenticated and delivered (other which have been destroyed, lost or stolen and which have been replaced or paid as provid (ii) Securities for whose payment money has theretofore been deposited in trust or segre by the Company and thereafter repaid to the Company or discharged from such trust, as p 10.05) have been delivered to the Trustee for cancellation; or (b) all such Securities n delivered to the Trustee for cancellation (i) have become due and payable, or (ii) will

at their Stated Maturity within one year, or (iii) are to be called for redemption withi arrangements reasonably satisfactory to the Trustee for the giving of notice of redempti the name, and at the reasonable expense, of the Company, and the Company, in the case of above, has deposited with the Trustee as trust funds in trust for the purpose an amount, currencies or currency unit or units in which the Securities of such series are payable, discharge the entire indebtedness on such Securities not theretofore delivered to the Tr for principal, premium, if any, and interest to the date of such deposit (in the case of become due and payable) or the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder

(3) the Company has delivered to the Trustee an Officers' Certificate and an O stating that all conditions precedent provided for herein relating to the satisfaction Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of th Section 6.07, the obligations of the Company to any Authenticating Agent under Section 6.14 and, with the Trustee pursuant to subclause (b) of clause (1) of this Section, the obligations of the last paragraph of Section 10.05 shall survive.

Section 4.02 Application of Trust Money. Subject to the provisions of the last paragr deposited with the Trustee pursuant to Section 4.01 shall be held in trust and applied by it, in the Securities and this Indenture, to the payment, either directly or through any Paying Agent (own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the princip interest for whose payment such money has been deposited with or received by the Trustee, but su from other funds except to the extent required by law.

Section 4.03 Application to a Specific Series of Securities. The Company may elect to obligations with respect to a specific series of Securities under the Indenture by complying wit Company makes such election, (a) the terms of Section 4.01 and 4.02 shall apply only to the spec terms of the Indenture as it relates to such series of Securities and (b) the other Securities as it relates to such other Securities shall remain in full force and effect.

ARTICLE 5
REMEDIES

Section 5.01 Events of Default. Except as otherwise specified as contemplated by Secti "EVENT OF DEFAULT," wherever used herein with respect to Securities of any series, means any one the reason for such Event of Default and whether it shall be voluntary or involuntary or to be e pursuant to any judgment, decree or order of any court or any order, rule or regulation of any a body):

(1) the Company defaults in the payment of interest on any Security of that se becomes due and payable and the default continues for a period of 30 days; or

(2) the Company defaults in the payment of the principal of, or premium, if an that series when the same becomes due and payable at Maturity or on redemption or otherw

(3) the Company fails to deposit any sinking fund payment, for five days after terms of a Security of that series; or

(4) the Company fails to observe or perform in any material respect any of it agreements or warranties in the Securities of that series or this Indenture (other than or warranty a default in whose performance or whose breach is elsewhere in this Section with or which has expressly been included in this Indenture solely for the benefit of se other than that series), and the failure to observe or perform continues for the period specified in the last paragraph of this Section; or

(5) an event of default, as defined in any mortgage, indenture, or instrument be issued, or by which there may be secured or evidenced, any Indebtedness of the Compan of another series) (other than the Securities of such series) (whether such Indebtedness hereafter be created or incurred) shall occur, which event of default (i) is caused by a

principal of or premium, if any, or interest on such Indebtedness at final maturity afte grace period provided in such Indebtedness on the date of such event of default, and (ii Indebtedness becoming or being declared due and payable prior to the date on which it wo due and payable, and such default in payment is not cured or such acceleration shall not annulled within 30 days after written notice to the Company from the Trustee or to the C Trustee from the Holders of at least twenty-five percent in aggregate principal amount Securities of that series specifying such event of default and requiring the Company to payment or cause such acceleration to be rescinded or annulled and stating that such not DEFAULT" hereunder; provided, however, that it shall not be an Event of Default if the p Indebtedness which is not paid at maturity or the maturity of which is accelerated is eq $20,000,000; provided further that if, prior to a declaration of acceleration of the ma Securities of that series or the entry of judgment in favor of the Trustee in a suit pur such default shall be remedied or cured by the Company or waived by the holders of such Event of Default hereunder by reason thereof shall be deemed likewise to have been there waived without further action upon the part of either the Trustee or any of the Holders that series; or

(6) the Company or any of its Significant Subsidiaries pursuant to or within Bankruptcy Law (a) commences a voluntary case or proceeding under any Bankruptcy Law wi (b) consents to the entry of a judgment, decree or order for relief against it in an inv proceeding under any Bankruptcy Law, (c) consents to or acquiesces in the institution o insolvency proceedings against it, (d) applies for, consents to or acquiesces in the app possession by a Custodian of it or for all or substantially all of its property, (e) mak for the benefit of its creditors or (f) takes any corporate action in furtherance of or conditionally or otherwise, any of the foregoing; or

(7) (i) a court of competent jurisdiction enters a judgment, decree or order involuntary case or proceeding under any Bankruptcy Law which shall (a) approve as prope seeking reorganization, arrangement, adjustment or composition in respect of the Company Significant Subsidiaries, (b) appoint a Custodian of the Company or any of its Signific all or substantially all of its property or (c) order the winding-up or liquidation of or any of its Significant Subsidiaries, and such judgment, decree or order shall remain for a period of 90 consecutive days; or (ii) any bankruptcy or insolvency petition or ap any bankruptcy or insolvency proceeding is commenced, against the Company or any of its Subsidiaries and such petition, application or proceeding is not dismissed within 60 day of attachment is issued against any material portion of the property of the Company or a Subsidiaries which is not released within 60 days of service; or

(8) any other Event of Default provided with respect to Securities of that se

A Default under clause (4) above is not an Event of Default until the Trustee or the Ho percent in aggregate principal amount of the Outstanding Securities of that series notify the Co Company does not cure the Default within 60 days after receipt of the notice. The notice must sp remedied and state that the notice is a "NOTICE OF DEFAULT." When a Default under clause (4) ab period, it ceases to be a Default.

Section 5.02 Acceleration of Maturity; Rescission and Annulment. If an Event of Defau series (other than an Event of Default specified in clause (6) or (7) of Section 5.01) occurs an notice in writing to the Company, or the Holders of at least twenty-five percent in aggregate pr Securities of that series by notice in writing to the Company and the Trustee, may declare the u interest to the date of acceleration (or, if the Securities of that series are Original Issue Di the principal amount as may be specified in the terms of that series) on all the Outstanding Sec and payable immediately and, upon any such declaration, the Outstanding Securities of that serie shall become and be immediately due and payable.

If an Event of Default specified in clause (6) or (7) of Section 5.01 occurs, all unpai on the Outstanding Securities of that series (or specified principal amount) shall ipso facto b payable without any declaration or other act on the part of the Trustee or any Holder of any Sec

Upon payment of all such principal and interest, all of the Company's obligations under (upon payment of the Securities of all series) this Indenture shall terminate, except obligation

At any time after a declaration of acceleration of Maturity with respect to Securities
before a judgment or decree for payment of the money due has been obtained by the Trustee as her
the Holders of a majority in principal amount of the Outstanding Securities of that series by no
acceleration and its consequences if (i) all existing Events of Default, other than the nonpayme
on the Securities of that series that has become due solely by such declaration of acceleration,
the extent the payment of such interest is lawful, interest on overdue installments of interest
become due otherwise than by such declaration of acceleration have been paid,(iii) the rescission
judgment or decree of a court of competent jurisdiction and (iv) all payments due to the Trustee
Section 6.07 have been made.

Section 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee. The Com

(1) default is made in the payment of any interest on any Security of any seri
becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on
series at the Maturity thereof, or

(3) default is made in the payment of any sinking or analogous obligation when
by the terms of the Securities of any series, and any such default continues for any pe
with respect to the Securities of such series,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such
due and payable on such Securities for principal (and premium, if any) and interest and, to the e
shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any
rates prescribed therefor in such Securities, and, in addition thereto, such further amount as s
costs and expenses of collection, including the reasonable compensation, expenses, disbursements
agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in it
express trust, may institute a judicial proceeding for the collection of the sums so due and unp
to judgment or final decree and may enforce the same against the Company or any other obligor up
moneys adjudged or decreed to be payable in the manner provided by law out of the property of th
such Securities, wherever situated.

If an Event of Default with respect to Securities of any series occurs and is continuin
proceed to protect and enforce its rights and the rights of the Holders of Securities of such se
proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whe
any covenant or agreement in this Indenture or in aid of the exercise of any power granted here
remedy.

Section 5.04 Trustee May File Proofs of Claim. In case of the pendency of any receiver
bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding re
obligor upon the Securities or the property of the Company or of such other obligor or their cre
of whether the principal of the Securities shall then be due and payable as therein expressed or
irrespective of whether the Trustee shall have made any demand on the Company for the payment of
shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium,
owing and unpaid in respect of the Securities and to file such other papers or documents
advisable in order to have the claims of the Trustee (including any claim for the reason
expenses, disbursements and advances of the Trustee, its agent and counsel) and of the H
judicial proceedings, and

(ii) to collect and receive any moneys or other property payable or deliverable
to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequ
similar official in any such judicial proceeding is hereby authorized by each Holder to
the Trustee and, in the event that the Trustee shall consent to the making of such payme
Holders, to pay to the Trustee any amount due it for the reasonable compensation, expens
advances of the Trustee, its agents and counsel, and any other amounts due the Trustee u

Nothing herein contained shall be deemed to authorize the Trustee to authorize or conse

of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the S
Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any

Section 5.05 Trustee May Enforce Claims Without Possession of Securities. All rights o
Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession
production thereof in any proceeding relating thereto, and any such proceeding instituted by the
name as trustee of an express trust, and any recovery of judgment shall, after provision for the
compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be fo
of the Securities in respect of which such judgment has been recovered.

Section 5.06 Application of Money Collected. Any money collected by the Trustee pursu
the Securities of any series shall be applied in the following order, at the date or dates fixed
distribution of such money on account of principal, premium, if any, or interest, upon presentati
which moneys have been collected and the notation thereon of the payment if only partially paid
paid:

First: To the payment of all amounts due the Trustee under Section 6.07 applic

Second: To the payment of the amounts then due and unpaid for principal of, an
interest on the Securities of such series in respect of which or for the benefit of whic
collected, ratably, without preference or priority of any kind, according to the amounts
such Securities of such series for principal, and premium, if any, and interest, respect

Third: To the Company.

The Trustee may fix a record date and payment date for any payment to Holders pursuant
(10) days before such record date, the Trustee shall mail to each Holder and the Company a notic
payment date and the amount to be paid.

Section 5.07 Limitation on Suits. No Holder of any Security of any series shall have
proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a re
remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a contin
with respect to the Securities of that series;

(2) the Holders of at least twenty-five percent in principal amount of the Out
that series shall have made written request to the Trustee to institute proceedings in r
Default in its own name as Trustee hereunder;

(3) such Holder or Holders shall have offered to the Trustee reasonable indemn
expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offe
failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the
60-day period by the Holders of a majority in principal amount of the Outstanding Securi

it being understood and intended that no one or more of Holders of Securities of any series shal
manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, dist
rights of any other of such Holders, or to obtain or to seek to obtain priority or preference ov
Holders or to enforce any right under this Indenture, except in the manner herein provided and f
ratable benefit of all Holders of Securities of the affected series.

Section 5.08 Unconditional Right of Holders to Receive Principal, Premium and Interest.
provision in this Indenture, the Holder of any Security shall have the right, which is absolute
payment of the principal of, premium, if any, and (subject to Section 3.07) interest on such Sec
Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) an
enforcement of any such payment, and such rights shall not be impaired without the consent of su

Section 5.09 Restoration of Rights and Remedies. If the Trustee or any Holder has ins

any right or remedy under this Indenture and such proceeding has been discontinued or abandoned determined adversely to the Trustee or to such Holder, then and in every such case, subject to a the Company, the Trustee and the Holders shall be restored severally and respectively to their thereafter all rights and remedies of the Trustee and the Holders shall continue as though no su

Section 5.10 Rights and Remedies Cumulative. Except as otherwise provided with respec mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 3.06, no right reserved to the Trustee or to the Holders is intended to be exclusive of any other right or reme shall, to the extent permitted by law, be cumulative and in addition to every other right and r hereafter existing at law or in equity or otherwise. The assertion or employment of any right or shall not prevent the concurrent assertion or employment of any other appropriate right or remed

Section 5.11 Delay or Omission Not Waiver. No delay or omission of the Trustee or of exercise any right or remedy accruing upon any Event of Default shall impair any such right or re such Event of Default or an acquiescence therein. Every right and remedy given by this Article o Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trus may be.

Section 5.12 Control by Holders. The Holders of a majority in principal amount of the O shall have the right to direct the time, method and place of conducting any proceeding for any r exercising any trust or power conferred on the Trustee, with respect to the Securities of such s

(1) such direction shall not be in conflict with any rule of law or with this

(2) the Trustee may take any other action deemed proper by the Trustee which i such direction; and

(3) subject to Section 6.01, the Trustee need not take any action which might personal liability or be unduly prejudicial to the Holders not joining therein.

Section 5.13 Waiver of Past Defaults. The Holders of not less than a majority in princ Securities of any series may by written notice to the Trustee on behalf of the Holders of all th any Default or Event of Default with respect to such series and its consequences, except a Defau

(1) in respect of the payment of the principal of or premium, if any, or inter such series, or

(2) in respect of a covenant or other provision hereof which under Article Nin amended without the consent of the Holder of each Outstanding Security of such series af

Upon any such waiver, such Default or Event of Default shall cease to exist and shall b every purpose of this Indenture and the Securities of such series; but no such waiver shall exte Default or Event of Default or impair any right consequent thereon.

Section 5.14 Undertaking for Costs. All parties to this Indenture agree, and each Hol acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, any right or remedy under this Indenture, or in any suit against the Trustee for any action take Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of su its discretion assess reasonable costs, including reasonable attorneys' fees, against any party regard to the merits and good faith of the claims or defenses made by such party litigant; but t not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any group of Holders, holding in the aggregate more than ten percent in principal amount of the Outs or to any suit instituted by any Holder for the enforcement of the payment of the principal of o any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in t the Redemption Date).

ARTICLE 6
THE TRUSTEE

Section 6.01 Certain Duties and Responsibilities of the Trustee.

(a) Except during the continuance of an Event of Default, the Trustee's duties and

Indenture shall be governed by Section 315(a) of the Trust Indenture Act.

(b) In case an Event of Default has occurred and is continuing, and is known to th the rights and powers vested in it by this Indenture, and shall use the same degree of care and prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) None of the provisions of Section 315(d) of the Trust Indenture Act shall be e

(d) Every provision of this Indenture which pertains to the Trustee shall be subje

Section 6.02 Notice of Defaults. Within 90 days after the occurrence of any Default o the Securities of any series, the Trustee shall give to all Holders of Securities of such series appear in the Security Register, notice of such Default or Event of Default known to the Trustee Default shall have been cured or waived; provided, however, that, except in the case of a Defau payment of the principal of or premium, if any, or interest on any Security of such series, the withholding such notice if and so long as the board of directors, the executive committee or a t Responsible Officers of the Trustee in good faith determine that the withholding of such notice Securities of such series. The Trustee shall not be charged with knowledge of any Default unless the Corporate Trust Office of the Trustee shall have actual knowledge of the Default. The second in lieu of the proviso to Trust Indenture Act Section 315(b). Said proviso is hereby expressly permitted by the Trust Indenture Act.

Section 6.03 Certain Rights of Trustee. Subject to the provisions of the Trust Indent

(a) the Trustee may conclusively rely and shall be protected in acting or refrainin certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, evidence of indebtedness or other paper or document believed by it to be genuine and to have been party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Boa

(c) whenever in the administration of this Indenture the Trustee shall deem it desi established prior to taking, suffering or omitting any action hereunder, the Trustee (unless othe prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or and complete authorization and protection in respect of any action taken, suffered or omitted by reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or power the request or direction of any of the Holders pursuant to this Indenture, unless such Holders sh reasonable security or indemnity against the costs, expenses and liabilities which might be incur request or direction;

(f) prior to the occurrence of an Event of Default with respect to the Securities o waiving of all such Events of Default which may have occurred, the Trustee shall not be bound to facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, n order, approval or other paper or document, or the books and records of the Company, unless reque Holders of a majority in principal amount of the Outstanding Securities of any series; provided, a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by i investigation is not, in the opinion of the Trustee, reasonably assured to the Trustee by the sec this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liab proceeding; the reasonable expense of every such investigation shall be paid by the Company or, i repaid by the Company upon demand;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any d or through agents or attorneys and the Trustee shall not be responsible for any misconduct or neg attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be required to expend or risk its own funds or otherwise performance of any of its duties hereunder, or in the exercise of its rights or powers, if it sha

believing that repayment of such funds or adequate indemnity against such risk or liability is no

(i) the rights, privileges, protections, immunities and benefits given to the Trust its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of each agent, custodian and other Person employed to act hereunder.

Section 6.04 Not Responsible for Recitals or Issuance of Securities. The recitals her the Trustee's certificates of authentication, shall be taken as the statements of the Company, a Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no repr sufficiency of this Indenture or of the Securities, except that the Trustee represents that it i deliver this Indenture, authenticate the Securities and perform its obligations hereunder, and t be made by it in a Statement of Eligibility and Qualification on Form T-1 supplied to the Compan the Trustee nor any Authenticating Agent shall be accountable for the use or application by the proceeds thereof.

Section 6.05 May Hold Securities. The Trustee, any Authenticating Agent, any Paying A other agent of the Company, in its individual or any other capacity, may become the owner or ple Sections 6.08 and 6.13, may otherwise deal with the Company with the same rights it would have i Authenticating Agent, Paying Agent, Security Registrar or such other agent.

Section 6.06 Money Held in Trust. Money held by the Trustee in trust hereunder (inclu Paying Agent) need not be segregated from other funds except to the extent required by law. The for interest on any money received by it hereunder except as otherwise agreed upon in writing wi

Section 6.07 Compensation and Reimbursement. The Company agrees:

(1) to pay to the Trustee from time to time reasonable compensation as negotiated b for all services rendered by it hereunder (which compensation shall not be limited by any provisi compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon it expenses, disbursements and advances incurred or made by the Trustee in accordance with any provi the reasonable compensation and the expenses and disbursements of its agents and counsel), except advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee, its officers, employees, directors and shareholders f any loss, liability, damage, claim or expense, including taxes (other than taxes based upon or de of the Trustee), incurred without negligence or bad faith on its part, arising out of or in conne administration of the trust or trusts hereunder, including the costs and expenses of defending it in connection with the exercise or performance of any of its powers or duties hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Def Section 5.01(7), the expenses (including the reasonable charges and expenses of its counsel) and are intended to constitute expenses of administration under any applicable Bankruptcy Law.

The provisions of this Section 6.07 shall survive this Indenture and the resignation or

Section 6.08 Disqualification; Conflicting Interests. The Trustee shall be disqualifie is required by Section 310(b) of the Trust Indenture Act. Nothing shall prevent the Trustee from application referred to in the second to last paragraph of Section 310(b) of the Trust Indenture

Section 6.09 Corporate Trustee Required; Eligibility. There shall at all times be a T eligible to act as Trustee under Section 310(a)(1) of the Trust Indenture Act having a combined its parent) of at least $50,000,000 and subject to supervision or examination by federal or Stat publishes reports of condition at least annually, pursuant to law or to the requirements of said then for the purposes of this Section, the combined capital and surplus of such corporation shal capital and surplus as set forth in its most recent report of condition so published. Neither th or indirectly controlling, controlled by, or under common control with the Company may serve as shall cease to be eligible in accordance with the provisions of this Section, it shall resign im the effect hereinafter specified in this Article.

Section 6.10 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trus become effective until the acceptance of appointment by the successor Trustee in accordance with Section 6.11.

(b) The Trustee may resign at any time with respect to the Securities of one or mo thereof to the Company. If the instrument of acceptance by a successor Trustee required by Secti delivered to the Trustee within 30 days after the giving of such notice of resignation, the resi of competent jurisdiction for the appointment of a successor Trustee with respect to the Securi

(c) The Trustee may be removed at any time with respect to the Securities of any s majority in principal amount of the Outstanding Securities of such series, delivered to the Trus

(d) If at any time:

(i) the Trustee shall fail to comply with Section 310(b) of the Trust Indentu request therefor by the Company or by any Holder who has been a bona fide Holder of a S six months; or

(ii) the Trustee shall cease to be eligible under Section 6.09 and shall fail written request therefor by the Company or by any such Holder of a Security who has bee a Security for at least six months; or

(iii) the Trustee shall become incapable of acting or shall be adjudged a ban receiver of the Trustee or of its property shall be appointed or any public officer sha control of the Trustee or of its property or affairs for the purpose of rehabilitation, liquidation; then, in any such case, (i) the Company by a Board Resolution may remove t respect to all Securities, or (ii) subject to Section 315(e) of the Trust Indenture Act, been a bona fide Holder of a Security for at least six months may, on behalf of himself similarly situated, petition any court of competent jurisdiction for the removal of the to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Bo appoint a successor Trustee or Trustees with respect to the Securities of that or those series (successor Trustee may be appointed with respect to the Securities of one or more or all of such shall be only one Trustee with respect to the Securities of any particular series) and shall com of Section 6.11. If, within one year after such resignation, removal or incapability, or the oc successor Trustee with respect to the Securities of any series shall be appointed by Act of the H amount of the Outstanding Securities of such series delivered to the Company and the retiring Tr appointed shall, forthwith upon its acceptance of such appointment in accordance with the applic become the successor Trustee with respect to the Securities of such series and to that extent su appointed by the Company with respect to such Securities. If no successor Trustee with respect to have been so appointed by the Company or the Holders and accepted appointment in the manner requ who has been a bona fide Holder of a Security of such series for at least six months may, on beh similarly situated, petition any court of competent jurisdiction for the appointment of a succes Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trus any series and each appointment of a successor Trustee with respect to the Securities of any ser such event by first-class mail, postage prepaid, to all Holders of Securities of such series as the Security Register. Each notice shall include the name of the successor Trustee with respect and the address of its Corporate Trust Office.

Section 6.11 Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to al Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring T appointment, and thereupon the resignation or removal of the retiring Trustee shall become effec without any further act, deed or conveyance, shall become vested with all the rights, powers, tr Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shal execute and deliver an instrument transferring to such successor Trustee all the rights, powers

and shall duly assign, transfer and deliver to such successor Trustee all property and money he hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to th series, the Company, the retiring Trustee and each successor Trustee with respect to the Securit and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such ap contain such provisions as shall be necessary or desirable to transfer and confirm to, and to ve the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with contain such provisions as shall be deemed necessary or desirable to confirm that all the right retiring Trustee with respect to the Securities of that or those series as to which the retiring continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisi necessary to provide for or facilitate the administration of the trusts hereunder by more than that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust o any other such Trustee; and upon the execution and delivery of such supplemental indenture the retiring Trustee shall become effective to the extent provided therein and each such successor Tr deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the re Securities of that or those series to which the appointment of such successor Trustee relates; b any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such suc money held by such retiring Trustee hereunder with respect to the Securities of that or those se such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such a shall be qualified and eligible under the Trust Indenture Act.

Section 6.12 Merger, Conversion, Consolidation or Succession to Business. Any corporat merged or converted or with which it may be consolidated, or any corporation resulting from any to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall b under this Article, without the execution or filing of any paper or any further act on the part case any Securities shall have been authenticated, but not delivered, by the Trustee then in offi conversion, consolidation or otherwise as permitted hereunder) to such authenticating Trustee ma deliver the Securities so authenticated with the same effect as if such successor Trustee had it

Section 6.13 Preferential Collection of Claims Against Company. The Trustee shall comp Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indentu or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent indi

Section 6.14 Appointment of Authenticating Agent. At any time when any of the Securit may appoint an Authenticating Agent or Agents with respect to one or more series of Securities w behalf of, and subject to the direction of, the Trustee to authenticate Securities of such series of transfer or partial redemption thereof or pursuant to Section 3.06, and Securities so authen benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated reference is made in this Indenture to the authentication and delivery of Securities by the Trus authentication, such reference shall be deemed to include authentication and delivery on behalf Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating shall be acceptable to the Company and shall at all times be a corporation organized and doing b United States of America, any State thereof or the District of Columbia, authorized under such l having a combined capital and surplus (together with its parent) of not less than $100,000,000 a examination by federal or State authority. If such Authenticating Agent publishes reports of con to law or to the requirements of said supervising or examining authority, then for the purposes capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and s recent report of condition so published. If at any time an Authenticating Agent shall cease to b provisions of this Section, such Authenticating Agent shall resign immediately in the manner and Section.

Any corporation into which an Authenticating Agent may be merged or converted or with w

corporation resulting from any merger, conversion or consolidation to which such Authenticating corporation succeeding to the corporate agency or corporate trust business of an Authenticating Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, w any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination Authenticating Agent shall cease to be eligible in accordance with the provisions of this Sectio successor Authenticating Agent which shall be acceptable to the Company and shall mail written n first-class mail, postage prepaid, to all Holders of Securities of the series with respect to wh serve, as their names and addresses appear in the Security Register. Any successor Authenticatin appointment hereunder shall become vested with all the rights, powers and duties of its predeces if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appoi provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable com Company and such Authenticating Agent for its services under this Section. If an appointment wit made pursuant to this Section, the Securities of such series may have endorsed thereon, in addi authentication, an alternate certificate of authentication in the following form:

Form of Authenticating Agent's Certificate of Authentication

Dated:_____

This is one of the Securities of the series designated therein referred to in the withi

THE BANK OF NEW YORK

- -

As Trustee

By _____

As Authenticating Agent

By _____

Authorized Signatory

Section 6.15 Compliance with Tax Laws. The Trustee hereby agrees to comply with all U reporting and withholding requirements applicable to it with respect to payments of premium (if of any series, whether acting as Trustee, Security Registrar, Paying Agent or otherwise with res series.

ARTICLE 7
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 7.01 Company to Furnish Trustee Names and Addresses of Holders. The Company wi to the Trustee:

(a) semi-annually, not later than 15 days after the Regular Record Date for ea such form as the Trustee may reasonably require, of the names and addresses of the Holde Record Date (unless the Trustee has such information), or if there is no Regular Record Securities, semi-annually, upon such dates as are set forth in the Board Resolution or i authorizing such series, and

(b) at such other times as the Trustee may request in writing, within 30 days any such request, a list of similar form and content as of a date not more than 15 days furnished;

provided, however, that so long as the Trustee is the Security Registrar, no such list shall be

Section 7.02 Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, contained in the most recent list furnished to the Trustee as provided in Section 7.01 and the n received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list Section 7.01 upon receipt of a new list so furnished.

(b) If three or more Holders (herein referred to as "APPLICANTS") apply in writing Trustee reasonable proof that each such applicant has owned a Security for a period of at least such application, and such application states that the applicants desire to communicate with othe rights under this Indenture or under the Securities and is accompanied by a copy of the form of such applicants propose to transmit, then the Trustee shall, within five Business Days after the its election, either:

(i) afford such applicants access to the information preserved at the time by accordance with Section 7.02(a); or

(ii) inform such applicants as to the approximate number of Holders whose name in the information preserved at the time by the Trustee in accordance with Section 7.02(approximate cost of mailing to such Holders the form of proxy or other communication, if application.

If the Trustee shall elect not to afford such applicants access to such information, th request of such applicants, mail to each Holder whose name and address appears in the informatio Trustee in accordance with Section 7.02(a) a copy of the form of proxy or other communication wh with reasonable promptness after a tender to the Trustee of the material to be mailed and of pa of the reasonable expenses of mailing, unless within five days after such tender the Trustee sha with the Commission, together with a copy of the material to be mailed, a written statement to t the Trustee, such mailing would be contrary to the best interests of the Holders or would be in written statement shall specify the basis of such opinion. If the Commission, after opportunity specified in the written statement so filed, shall enter an order refusing to sustain any of suc of an order sustaining one or more of such objections, the Commission shall find, after notice all objections so sustained have been met and shall enter an order so declaring, the Trustee sha all such Holders with reasonable promptness after the entry of such order and the renewal of suc shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the the Company nor the Trustee nor any agent of either of them shall be held accountable by reason information as to the names and addresses of the Holders in accordance with Section 7.02(b), reg such information was derived, and that the Trustee shall not be held accountable by reason of m request made under Section 7.02(b). Section

7.03 Reports by Trustee.

(a) Within 60 days after _____ of each year commencing with the year 200_, the Tr Holders of Securities as provided in Section 313(c) of the Trust Indenture Act, a brief report d and in compliance with Section 313(a) of the Trust Indenture Act. The Trustee shall also comply Indenture Act.

(b) A copy of each such report shall, at the time of such transmission to Holders, stock exchange or inter-dealer quotation system upon which any Securities are listed, with the C Company will notify the Trustee when any Securities are listed on any stock exchange or any inte

Section 7.04 Reports by Company. The Company shall:

(1) file with the Trustee, within 15 days after the Company is required to file the the annual reports and of the information, documents and other reports (or copies of such portion Commission may from time to time by rules and regulations prescribe) which the Company may be req pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required t reports pursuant to either of said Sections, then it shall file with the Trustee and the Commissi regulations prescribed from time to time by the Commission, such of the supplementary and periodi which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulati
the Commission, such additional information, documents and reports with respect to compliance by
covenants of this Indenture as may be required from time to time by such rules and regulations;

(3) transmit or cause to be transmitted by mail to all Holders, as their names and
Register, (a) as promptly as reasonably practicable following the furnishing of the same to its s
report to stockholders, containing certified financial statements, and any other financial report
furnishes to its stockholders, and (b) within 30 days after the filing thereof with the Trustee,
information, documents and reports required to be filed by the Company pursuant to paragraphs (1)
required by rules and regulations prescribed from time to time by the Commission; and

(4) furnish to the Trustee, on _____ of each year, a brief certificate from t
principal financial officer or principal accounting officer as to his or her knowledge of the Com
conditions and covenants under this Indenture. For purposes of this paragraph, such compliance s
any period of grace or requirement of notice provided under this Indenture. Such certificate nee
1.02.

ARTICLE 8
CONSOLIDATION, MERGER, LEASE, SALE OR TRANSFER

Section 8.01 When Company May Merge, Etc. Except as may be otherwise provided as cont
Securities of a series, the Company shall not consolidate with, or merge with or into, any other
shall be the surviving corporation or entity), or convey, transfer or lease all or substantially
as an entirety or substantially as an entirety to any Person or group of affiliated Persons, in o
related transactions, unless:

(1) either the Company shall be the continuing Person or the Person (if other
formed by such consolidation or with which or into which the Company is merged or the Pe
affiliated Persons) to which all or substantially all the properties and assets of the C
or substantially as an entirety are conveyed, transferred or leased shall be a corporati
(group of affiliated corporations or entities) organized and existing under the laws of
America or any State thereof or the District of Columbia and shall expressly assume, by
supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfact
the obligations of the Company under the Securities and this Indenture; and

(2) immediately after giving effect to such transaction or series of related t
no Default, shall have occurred and be continuing.

Notwithstanding the foregoing, the Company may (a) consolidate with, or merge with or i
the purpose incorporating the Company in another jurisdiction and/or (b) convey, transfer or lea
properties and assets as an entirety or substantially as an entirety to any Subsidiary or Subsidi
series of related transactions.

Section 8.02 Opinion of Counsel. The Company shall deliver to the Trustee prior to th
Section 8.01 an Officers' Certificate and an Opinion of Counsel stating that the transaction(s)
comply with this Indenture and that all conditions precedent to the consummation of the transact
been met.

Section 8.03 Successor Corporation Substituted. Upon any consolidation by the Company
any other corporation or other entity or any conveyance, transfer or lease all or substantially
the Company in accordance with Section 8.01, the successor corporation or other entity formed by
the Company is merged or the successor corporation or entity or affiliated group of corporations
sale, assignment or transfer is made shall succeed to, and be substituted for, and may exercise
Company under this Indenture with the same effect as if such successor corporation or corporatio
named as the Company herein, and thereafter, except in the case of a lease, the predecessor corp
entities shall be relieved of all obligations and covenants under this Indenture and the Securit
conveyance or transfer, except in the case of a lease, any such predecessor corporation may be d

ARTICLE 9
SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Without Consent of Holders. Without notice to or

Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to ti
indentures supplemental hereto, in form reasonably satisfactory to the Trustee, for any of the f

(1) to evidence the succession of another corporation to the Company and the assumption
covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or any
covenants are to be for the benefit of less than all series of Securities, stating that such cove
solely for the benefit of such series) or to surrender any right or power herein conferred upon t

(3) to add any additional Events of Default with respect to all or any series of Secur

(4) to add or change any of the provisions of this Indenture to such extent as shall be
the issuance of Securities in bearer form, registrable or not registrable as to principal, and wi

(5) to change or eliminate any of the provisions of this Indenture, provided that any s
become effective only when there is no Security Outstanding of any series created prior to the ex
indenture which is entitled to the benefit of such provision; or

(6) to secure the Securities; or

(7) to establish the form or terms of Securities of any series as permitted by Sections

(8) to evidence and provide for the acceptance of appointment hereunder by a successor
Securities of one or more series and to add to or change any of the provisions of this Indenture
or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to t
or

(9) to cure any ambiguity, defect or inconsistency or to correct or supplement any pro
inconsistent with any other provision herein; or

(10) to make any change that does not materially adversely affect the interests of the
then Outstanding; or

(11) to add Guarantees with respect to any or all of the Securities; or

(12) to provide for uncertificated Securities in addition to or in place of certificate
uncertificated Securities are issued in registered form for purposes of Section 163(f) of the In
such that the uncertificated Securities are described in Section 163(f)(2)(B) of such Code).

Upon request of the Company, accompanied by a Board Resolution authorizing the executio
indenture, and upon receipt by the Trustee of the documents described in (and subject to the las
Trustee shall join with the Company in the execution of any supplemental indenture authorized or
Indenture.

Section 9.02 Supplemental Indentures with Consent of Holders. With the written consen
aggregate principal amount of the Outstanding Securities of each series affected by such supplem
Securities of each series voting as a class), by Act of said Holders delivered to the Company and
authorized by a Board Resolution, and the Trustee shall, subject to Section 9.03, enter into an
supplemental hereto for the purpose of adding any provisions to or changing in any manner or eli
this Indenture or of modifying in any manner the rights of the Holders of Securities of such ser
however, that no such supplemental indenture shall, without the consent of the Holder of each Ou
thereby,

(1) change the Stated Maturity of the principal of, or premium, if any, or any
principal of or premium, if any, or interest on, any Security, or reduce the principal a
rate of interest thereon or any premium payable upon the redemption, repurchase or repay
the manner in which the amount of any principal thereof or premium, if any, or interest
or reduce the amount of the principal of any Original Issue Discount Security that would
upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02, or
Payment where, or the coin or currency or currency unit in which, any Security or any pr
thereon is payable, or impair the right to institute suit for the enforcement of any suc

the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption D

(2) reduce the percentage in principal amount of the Outstanding Securities of consent of whose Holders is required for any such supplemental indenture, or the consent required for any waiver of compliance with certain provisions of this Indenture or Defau Default hereunder and their consequences provided for in this Indenture; or

(3) modify any of the provisions of this Section, Section 5.13 or Section 10.0 any such percentage or to provide that certain other provisions of this Indenture cannot without the consent of the Holder of each Outstanding Security affected thereby; provide clause shall not be deemed to require the consent of any Holder with respect to changes "the Trustee" and concomitant changes in this Section and Section 10.06, or the deletion accordance with the requirements of Sections 6.11(b) and 9.01(8).

A supplemental indenture which changes or eliminates any covenant or other provisions o been included solely for the benefit of one or more particular series of Securities, or which mo Securities of such series with respect to such covenant or other provision, shall be deemed not Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the part supplemental indenture, but it shall be sufficient if such Act shall approve the substance there

Section 9.03 Execution of Supplemental Indentures. The Trustee shall sign any supplem to this Article, subject to the last sentence of this Section 9.03. In executing, or accepting t any supplemental indenture permitted by this Article or the modifications thereby of the trusts c Trustee shall be entitled to receive, and (subject to Section 6.01) shall be fully protected in Certificate and an Opinion of Counsel stating that the execution of such supplemental indenture Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental inde own rights, duties or immunities under this Indenture or otherwise.

Section 9.04 Effect of Supplemental Indentures. Upon the execution of any supplementa Indenture shall be modified in accordance therewith, and such supplemental indenture shall form purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered he

Section 9.05 Conformity with Trust Indenture Act. Every supplemental indenture execut conform to the requirements of the Trust Indenture Act as then in effect.

Section 9.06 Reference in Securities to Supplemental Indentures. Securities of any se after the execution of any supplemental indenture pursuant to this Article may, and shall if req notation in form approved by the Trustee as to any matter provided for in such supplemental inde determine, new Securities of any series so modified as to conform, in the opinion of the Trustee supplemental indenture may be prepared and executed by the Company and authenticated and deliver Outstanding Securities of such series.

ARTICLE 10
COVENANTS

Section 10.01 Payments of Securities. With respect to each series of Securities, the C the principal of (and premium, if any) and interest on such Securities in accordance with their duly comply with all the other terms, agreements and conditions contained in, or made in the Ind Securities of such series.

Section 10.02 Maintenance of Office or Agency. The Company will maintain an office or where Securities may be surrendered for registration of transfer or exchange or for presentation demands to or upon the Company in respect of the Securities and this Indenture may be served. T notice to the Trustee of the location, and any change in location, of such office or agency. If to maintain any such required office or agency or shall fail to furnish the Trustee with the add surrenders, notices and demands may be made or served at the address of the Trustee as set forth

The Company may also from time to time designate one or more other offices or agencies presented or surrendered for any or all such purposes and may from time to time rescind such des prompt written notice to the Trustee of any such designation or rescission and of any change in

office or agency.

Section 10.03 Compliance Certificates.

(a) The Company shall deliver to the Trustee within 90 days after the end of each f
Officers' Certificate stating whether or not the signer knows of any Default or Event of Default
to the end of the fiscal year and is then continuing. If the signer does know of such a Default
certificate shall describe each such Default or Event of Default and its status and the specific
Indenture in connection with which such Default or Event of Default has occurred. The Company sh
in writing should the Company's fiscal year be changed so that the end thereof is on any date ot
Company's fiscal year currently ends. The certificate need not comply with Section 1.02 hereof,
314(a)(4) of the Trust Indenture Act.

(b) The Company shall deliver to the Trustee, within 10 days after the occurrence
which with the giving of notice and the lapse of time would be an Event of Default within the mea

(c) The Company shall deliver to the Trustee forthwith upon becoming aware of a De
event later than 10 days after the occurrence of each Default or Event of Default that is contin
setting forth the details of such Default or Event of Default and the action that the Company pr
and the specific section or sections of this Indenture in connection with which such Default or

Section 10.04 Waiver of Stay, Extension or Usury Laws. The Company covenants (to the
that it will not at any time insist upon, or plead, or in any manner whatsoever claim, and will
to be compelled to take the benefit or advantage of, any stay or extension law or any usury law
or forgive the Company from paying all or any portion of the principal of and/or interest on the
wherever enacted, now or at any time hereafter in force, or which may affect the covenants or th
(to the extent that it may lawfully do so) the Company hereby expressly waives all benefit or adv
covenants that it will not hinder, delay or impede the execution of any power herein granted to
permit the execution of every such power as though no such law had been enacted.

Section 10.05 Money for Securities Payments to Be Held in Trust. If the Company shall
Agent with respect to any series of Securities, it will, on or before each due date of the princ
interest on any of the Securities of that series, segregate and hold in trust for the benefit of
sufficient to pay the principal (and premium, if any) or interest so becoming due until such sum
otherwise disposed of as herein provided and will promptly notify the Trustee of its action or f
Company shall have one or more Paying Agents for any series of Securities, it will, on or prior
(and premium, if any) or interest on any Securities of that series, deposit with a Paying Agent
principal (and premium, if any) or interest so becoming due, such sum to be held in trust for th
to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Compan
of its action or failure to so act.

The Company will cause each Paying Agent for any series of Securities (other than the Tr
Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the pr
Paying Agent will:

(1) hold all sums held by it for the payment of the principal of (and premium,
Securities of that series in trust for the benefit of the Persons entitled thereto until
paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligo
of that series) in the making of any payment of principal (and premium, if any) or inter
of that series; and

(3) at any time during the continuance of any such default, upon the written r
forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharg
purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held i
Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such s
Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall
liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, principal of (and premium, if any) or interest on any Security of any series and remaining unclai principal (and premium, if any) or interest has become due and payable shall, subject to any app Company on Company Request, or (if then held by the Company) shall be discharged from such trust shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof or such Paying Agent with respect to such trust money, and all liability of the Company as trust provided, however, that the Trustee of such Paying Agent, before being required to make any such the Company cause to be published once, in a newspaper published in the English language, custom Day and of general circulation in New York, New York, notice that such money remains unclaimed a therein, which shall not be less than 30 days from the date of such publication, any unclaimed will be repaid to the Company.

Section 10.06 Waiver of Certain Covenants. The Company may omit in any particular ins provision or condition set forth in Article 8, Article 10 (other than Sections __ or __) or any under Section 3.01 with respect to the Securities of any series if before the time for such comp a majority in principal amount of the Outstanding Securities of such series shall, by Act of su compliance in such instance or generally waive compliance with such term, provision or condition to or affect such term, provision or condition except to the extent so expressly waived, and, un effective, the obligations of the Company and the duties of the Trustee in respect of any such t remain in full force and effect.

ARTICLE 11
REDEMPTION OF SECURITIES

Section 11.01 Applicability of Article. Securities of any series which are redeemable be redeemable in accordance with their terms and (except as otherwise specified as contemplated any series) in accordance with this Article.

Section 11.02 Election to Redeem; Notice to Trustee. The election of the Company to r evidenced by a Board Resolution. In case of any redemption at the election of the Company of les series, the Company shall, at least 30 and not more than 60 days prior to the Redemption Date fi notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of of such series to be redeemed. In the case of any redemption of Securities prior to the expirati redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company s Officers' Certificate evidencing compliance with such restriction.

Section 11.03 Selection by Trustee of Securities to Be Redeemed. If less than all the redeemed, the particular Securities to be redeemed shall be selected prior to the giving of the Holders by the Trustee, from the Outstanding Securities of such series not previously called for rata, by lot or by any other method as the Trustee considers fair and appropriate and that compl principal national securities exchange, if any, on which such Securities are listed, and which m redemption of portions (equal to the minimum authorized denomination for Securities of that seri thereof) of the principal amount of Securities of such series of a denomination larger than the Securities of that series; provided that in case the Securities of such series have different ter to be redeemed shall be selected by the Company and the Company shall give notice thereof to the

The Trustee shall promptly notify the Company in writing of the Securities selected for Securities selected for partial redemption, the principal amount thereof to be redeemed. For all the context otherwise requires, all provisions relating to the redemption of the Securities shall Securities redeemed or to be redeemed only in part, to the portion of the principal amount of su to be redeemed.

Section 11.04 Notice of Redemption. Notice of redemption shall be given by first-clas less than 30 nor more than 45 days prior to the Redemption Date, to each Holder of Securities to appearing in the Security Register. All notices of redemption shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all the Outstanding Securities of any series are to be redeem (and, in the case of partial redemption, the principal amounts) of the particular Securi

(4) that on the Redemption Date the Redemption Price will become due and payab
Security to be redeemed and, if applicable, that interest thereon will cease to accrue o
date;

(5) the place or places where such Securities are to be surrendered for paymen
Price;

(6) that the redemption is for a sinking fund, if such is the case; and

(7) the CUSIP number, if any, of the Securities to be redeemed. Notice of rede
be redeemed at the election of the Company shall be given by the Company or, at the Com
Trustee in the name and at the expense of the Company.

Section 11.05 Deposit of Redemption Price. On or prior to any Redemption Date, the Com
or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold
10.05) an amount of money sufficient to pay the Redemption Price of, and (except if the Redempti
Date) accrued interest on, all the Securities which are to be redeemed on that date.

Unless any Security by its terms prohibits any sinking fund payment obligation from bei
crediting Securities (including Securities redeemed otherwise than through a sinking fund), the
to the Trustee for crediting against such payment obligation in accordance with the terms of suc

Section 11.06 Securities Payable on Redemption Date. Notice of redemption having been
so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price t
after such date (unless the Company shall default in the payment of the Redemption Price and accr
cease to bear interest. Upon surrender of any such Security for redemption in accordance with s
paid by the Company at the Redemption Price, together with accrued interest to the Redemption Da
installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be pa
Securities, or one or more Predecessor Securities, registered as such at the close of business on
Record Dates according to their terms and the provisions of Section 3.07.

If any Security called for redemption shall not be so paid upon surrender thereof for r
premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribe

Section 11.07 Securities Redeemed in Part. Any Security which is to be redeemed only
office or agency of the Company at a Place of Payment therefor (with, if the Company or the Trus
by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly
his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall
Holder of such Security without service charge, a new Security or Securities of the same series
authorized denomination as requested by such Holder, in aggregate principal amount equal to and
portion of the principal of the Security so surrendered.

ARTICLE 12
SINKING FUNDS

Section 12.01 Applicability of Article. The provisions of this Article shall be applic
retirement of Securities of a series, except as otherwise specified as contemplated by Section 3

The minimum amount of any sinking fund payment provided for by the terms of Securities
as a "MANDATORY SINKING FUND PAYMENT," and any payment in excess of such minimum amount provided
any series is herein referred to as an "OPTIONAL SINKING FUND PAYMENT." If provided for by the
the cash amount of any sinking fund payment may be subject to reduction as provided in Section
shall be applied to the redemption of Securities of any series as provided for by the terms of S

Section 12.02 Satisfaction of Sinking Fund Payments with Securities. The Company (1) ma
(other than any Securities previously called for redemption) and (2) may apply as a credit Secur
redeemed either at the election of the Company pursuant to the terms of such Securities or throu
optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfa
sinking fund payment with respect to the Securities of such series required to be made pursuant t
provided for by the terms of such series; provided that such Securities have not been previously
be received and credited for such purpose by the Trustee at the Redemption Price specified in suc

operation of the sinking fund and the amount of such sinking fund payment shall be reduced accor

Section 12.03 Redemption of Securities for Sinking Fund. Not less than 45 days (or su acceptable to the Trustee) prior to each sinking fund payment date for any series of Securities, Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment f of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the to be satisfied by delivering and crediting Securities of that series pursuant to Section 12.02 any Securities to be so delivered (which have not been previously delivered). Not less than 30 payment date the Trustee shall select the Securities to be redeemed upon such sinking fund paymen Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the e provided in Section 11.04. Such notice having been duly given, the redemption of such Securitie in the manner stated in Sections 11.06 and 11.07.

ARTICLE 13
DEFEASANCE AND COVENANT DEFEASANCE

Section 13.01 Applicability of Article; Company's Option to Effect Defeasance or Covena specified as contemplated by Section 3.01 for Securities of such series, provision is made for t in part, or any modification to, either or both of (a) defeasance of the Securities of a series u defeasance of the Securities of a series under Section 13.03, then the provisions of such Sectio together with the other provisions of this Article, shall be applicable to the Securities of suc option by Board Resolution, at any time, with respect to the Securities of such series elect to inapplicable) or Section 13.03 (unless inapplicable) be applied to the Outstanding Securities of applicable conditions set forth below in this Article.

Section 13.02 Defeasance and Discharge. Upon the Company's exercise of the option prov Outstanding Securities of a particular series, the Company shall be discharged from its obligati Securities of such series on the date the applicable conditions set forth in Section 13.04 are s "DEFEASANCE"). Defeasance shall mean that the Company shall be deemed to have paid and discharg represented by the Outstanding Securities of such series and to have satisfied all its other obl this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the C instruments acknowledging the same); provided, however, that the following rights, obligations, immunities shall survive until otherwise terminated or discharged hereunder: (A) the rights of Ho such series to receive, solely from the trust fund provided for in Section 13.04, payments in re premium, if any) and interest on such Securities when such payments are due, (B) the Company's o Securities under Sections 3.04, 3.05, 3.06, 10.02 and 10.05, (C) the rights, powers, trusts, dut hereunder and (D) this Article. Subject to compliance with this Article, the Company may exercise defeasance under this Section 13.02 notwithstanding the prior exercise of its option with respec Section 13.03 in regard to the Securities of such series.

Section 13.03 Covenant Defeasance. Upon the Company's exercise of the option provided covenant defeasance with respect to the Outstanding Securities of a particular series, the Compan obligations under this Indenture and any applicable supplemental indenture (except its obligatio 5.06, 5.09, 6.10, 10.01, 10.02, 10.03, 10.04 and 10.05) with respect to the Outstanding Securiti date the applicable conditions set forth in Section 13.04 are satisfied (hereinafter, "COVENANT shall mean that, with respect to the Outstanding Securities of such series, the Company may omit liability in respect of any term, condition or limitation set forth in this Indenture and any a (except its obligations under Sections 3.04, 3.05, 3.06, 5.06, 5.09, 6.10, 10.01, 10.02, 10.03, or indirectly by reason of any reference elsewhere herein or by reason of any reference to any o other document, and such omission to comply shall not constitute an Event of Default under Secti indenture with respect to Outstanding Securities of such series, and the remainder of this Indent series shall be unaffected thereby.

Section 13.04 Conditions to Defeasance or Covenant Defeasance. The following shall be Section 13.02 and covenant defeasance under Section 13.03 with respect to the Outstanding Securi

(1) The Company shall irrevocably have deposited or caused to be deposited with trustee satisfying the requirements of Section 6.09 who shall agree to comply with the p Article applicable to it), under the terms of an irrevocable trust agreement in form and satisfactory to such Trustee, as trust funds in trust for the purpose of making the foll specifically pledged as security for, and dedicated solely to, the benefit of the Holder (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled p

interest in respect thereof in accordance with their terms will provide, not later than payment, money in an amount, or (C) a combination thereof, in each case sufficient, afte federal, state and local taxes or other charges or assessments in respect thereof payabl the opinion of a nationally recognized firm of independent public accountants expressed certification thereof delivered to the Trustee, to pay and discharge, and which shall be (or other qualifying trustee) to pay and discharge, (i) the principal of (and premium, i installment of principal of (and premium, if any) and interest on the Outstanding Securi the Stated Maturity of such principal or installment of principal or interest and (ii) a fund payments or analogous payments applicable to the Outstanding Securities of such ser such payments are due and payable in accordance with the terms of this Indenture and of

(2) No Default or Event of Default with respect to the Securities of such series be continuing on the date of such deposit or shall occur as a result of such deposit.

(3) Such deposit, defeasance or covenant defeasance shall not result in a breach constitute a default under, any other material debt agreement or instrument to which the by which it is bound.

(4) In the case of an election with respect to Section 13.02, the Company shall Trustee either (a) a ruling directed to the Trustee received from the Internal Revenue S that the Holders of the Outstanding Securities of such series will not recognize income, federal income tax purposes as a result of such defeasance and will be subject to federa same amounts, in the same manner and at the same times as would have been the case if su occurred or (B) an Opinion of Counsel, based on such ruling or on a change in the applic law since the date of this Indenture, in either case to the effect that, and based there confirm that, the Holders of the Outstanding Securities of such series will not recogniz for federal income tax purposes as a result of such defeasance and will be subject to fe same amounts, in the same manner and at the same times as would have been the case if su occurred.

(5) In the case of an election with respect to Section 13.03, the Company shall Trustee an Opinion of Counsel or a ruling directed to the Trustee received from the Inte the effect that the Holders of the Outstanding Securities of such series will not recogn loss for federal income tax purposes as a result of such covenant defeasance and will be income tax on the same amounts, in the same manner and at the same times as would have b covenant defeasance had not occurred.

(6) Such defeasance or covenant defeasance shall be effected in compliance with conditions or limitations which may be imposed on the Company in connection therewith pu 3.01.

(7) The Company shall have delivered to the Trustee an Officers' Certificate and each stating that all conditions precedent provided for relating to either the defeasanc or the covenant defeasance under Section 13.03 (as the case may be) have been complied w

Section 13.05 Deposited Money and Government Obligations To Be Held in Trust. Subject paragraph of Section 10.05, all money and Government Obligations (including the proceeds thereof other qualifying trustee, collectively for purposes of this Section 13.05, the "TRUSTEE") pursua the Outstanding Securities of a particular series shall be held in trust and applied by the Tru provisions of such Securities and this Indenture, to the payment, either directly or through any acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities o thereon in respect of principal (and premium, if any) and interest, but such money need not be se the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imp Government Obligations deposited pursuant to Section 13.04 or the principal and interest receive such tax, fee or other charge which by law is for the account of the Holders of the Outstanding

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver or p upon Company Request any money or Government Obligations held by it as provided in Section 13.04 series which, in the opinion of a nationally recognized firm of independent public accountants e thereof delivered to the Trustee, are in excess of the amount thereof which would then be requir

for which such money or Government Obligations were deposited.

Section 13.06 Reinstatement. If the Trustee or the Paying Agent is unable to apply any Obligations, as the case may be, in accordance with this Article with respect to any Securities b of any court or governmental authority enjoining, restraining or otherwise prohibiting such appl this Indenture and such Securities from which the Company has been discharged or released pursu be revived and reinstated as though no deposit had occurred pursuant to this Article with respec time as the Trustee or Paying Agent is permitted to apply all money or U.S. Government Obligatio trust pursuant to Section 13.05 with respect to such Securities in accordance with this Article Company makes any payment of principal of or any premium or interest on any such Security follow obligations, the Company shall be subrogated to the rights (if any) of the Holders of such Secur the money or U.S. Government Obligations, as the case may be, so held in trust.

ARTICLE 14
GUARANTEES

Section 14.01 Guarantee. Any series of Securities may be guaranteed by one or more of form of any such Guarantee will be established in the manner contemplated by Section 3.01 for tha

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, above written.

SALEM COMMUNICATIONS HOLDING CORPORATION

By: _____
Name: _____
Title: _____

Attest:

_____
Name: _____
Title: _____

THE BANK OF NEW YORK,
as Trustee

By: _____
Name: _____
Title: _____

Attest:

_____
Name: _____
Title: _____

(GUARANTOR)

By:_____
Name: _____
Title: _____

Attest:

_____
Name: _____
Title: _____

EXHIBIT 4.33

SALEM COMMUNICATIONS HOLDING CORPORATION

AND

THE BANK OF NEW YORK,
TRUSTEE

FORM OF SUBORDINATED DEBT INDENTURE

GUARANTEED TO THE EXTENT SET FORTH HEREIN
BY THE GUARANTORS NAMED HEREIN

DATED AS OF _____, 200___

SALEM COMMUNICATIONS HOLDING CORPORATION

Reconciliation and tie between Trust Indenture Act of 1939
and Indenture, dated as of _____, 200__

TRUST INDENTURE ACT SECTION	INDENTURE SECTION

ss.310 (a) (1)	6.09
ss.310 (a) (2)	6.09
ss.310 (a) (3)	Not Applicable
ss.310 (a) (4)	Not Applicable
ss.310 (b)	6.08; 6.10
ss.311 (a)	6.13
ss.311 (b)	6.13
ss.311 (b) (2)	7.03 (a) ; 7.03 (b)
ss.312 (a)	7.01, 7.02 (b)
ss.312 (b)	7.02 (b)
ss.312 (c)	7.02 (c)
ss.313 (a)	7.03 (a)
ss.313 (b)	7.03 (a)
ss.313 (c)	7.03 (a); 7.03 (b)
ss.313 (d)	7.03 (b)
ss.314 (a)	7.04
ss.314 (b)	Not Applicable
ss.314 (c) (1)	1.02
ss.314 (c) (2)	1.02
ss.314 (c) (3)	Not Applicable
ss.314 (d)	Not Applicable
ss.314 (e)	1.02
ss.315 (a)	6.01 (a)
ss.315 (b)	6.02; 7.03 (a)
ss.315 (c)	6.01 (b)
ss.315 (d)	6.01 (c)
ss.315 (d) (1)	6.01 (a); 6.01 (b)
ss.315 (d) (2)	6.01 (c)
ss.315 (d) (3)	6.01 (c)
ss.315 (e)	5.14
ss.316 (a) (1) (A)	5.12
ss.316 (a) (1) (B)	5.02; 5.13
ss.316 (a) (2)	Not Applicable
ss.316 (b)	5.08
ss.316 (c)	1.04 (e)
ss.317 (a) (1)	5.03
ss.317 (a) (2)	5.04
ss.317 (b)	10.05
ss.318 (a)	1.07

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION.....
Section 1.01 Definitions.....
Section 1.02 Compliance Certificates and Opinions.....
Section 1.03 Form of Documents Delivered to Trustee.....
Section 1.04 Acts of Holders.....
Section 1.05 Notices, Etc., to Trustee and Company.....
Section 1.06 Notice to Holders; Waiver.....
Section 1.07 Conflict with Trust Indenture Act.....
Section 1.08 Effect of Headings and Table of Contents.....
Section 1.09 Successors and Assigns.....

Section 1.10 Separability Clause.....
Section 1.11 Benefits of Indenture.....
Section 1.12 Governing Law.....
Section 1.13 Legal Holidays.....
Section 1.14 No Recourse Against Others.....
Section 1.15 Judgment Currency.....
Section 1.16 Counterparts.....

ARTICLE 2
SECURITY FORMS.....
Section 2.01 Forms Generally.....
Section 2.02 Form of Face of Security.....
Section 2.03 Form of Reverse of Security.....
Section 2.04 Form of Trustee's Certificate of Authentication.....
Section 2.05 Securities in Global Form.....
Section 2.06 Form of Legend for the Securities in Global Form.....

ARTICLE 3
THE SECURITIES.....
Section 3.01 Amount Unlimited; Issuable in Series.....
Section 3.02 Denominations.....
Section 3.03 Execution, Authentication, Delivery and Dating.....
Section 3.04 Temporary Securities.....
Section 3.05 Registration, Registration of Transfer and Exchange.....
Section 3.06 Mutilated, Destroyed, Lost and Stolen Securities.....
Section 3.07 Payment of Interest; Interest Rights Preserved.....
Section 3.08 Persons Deemed Owners.....
Section 3.09 Cancellation.....
Section 3.10 Computation of Interest.....
Section 3.11 CUSIP Number.....
Section 3.12 Wire Transfers.....

ARTICLE 4
SATISFACTION AND DISCHARGE.....
Section 4.01 Satisfaction and Discharge of Indenture.....
Section 4.02 Application of Trust Money.....
Section 4.03 Application to a Specific Series of Securities.....

ARTICLE 5
REMEDIES 26
Section 5.01 Events of Default.....
Section 5.02 Acceleration of Maturity; Rescission and Annulment.....
Section 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee.....
Section 5.04 Trustee May File Proofs of Claim.....
Section 5.05 Trustee May Enforce Claims Without Possession of Securities.....
Section 5.06 Application of Money Collected.....
Section 5.07 Limitation on Suits.....
Section 5.08 Unconditional Right of Holders to Receive Principal, Premium and Interest.
Section 5.09 Restoration of Rights and Remedies.....
Section 5.10 Rights and Remedies Cumulative.....
Section 5.11 Delay or Omission Not Waiver.....
Section 5.12 Control by Holders.....
Section 5.13 Waiver of Past Defaults.....
Section 5.14 Undertaking for Costs.....

ARTICLE 6
THE TRUSTEE.....
Section 6.01 Certain Duties and Responsibilities of the Trustee.....
Section 6.02 Notice of Defaults.....
Section 6.03 Certain Rights of Trustee. Subject to the provisions of the Trust Indentu
Section 6.04 Not Responsible for Recitals or Issuance of Securities.....

Section 6.05 May Hold Securities.....
Section 6.06 Money Held in Trust.....
Section 6.07 Compensation and Reimbursement.....
Section 6.08 Disqualification; Conflicting Interests.....
Section 6.09 Corporate Trustee Required; Eligibility.....
Section 6.10 Resignation and Removal; Appointment of Successor.....
Section 6.11 Acceptance of Appointment by Successor.....
Section 6.13 Preferential Collection of Claims Against Company.....
Section 6.14 Appointment of Authenticating Agent.....
Section 6.15 Compliance with Tax Laws.....

ARTICLE 7
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY.....
Section 7.01 Company to Furnish Trustee Names and Addresses of Holders.....
Section 7.02 Preservation of Information; Communications to Holders.....
Section 7.03 Reports by Trustee.....
Section 7.04 Reports by Company. The Company shall.....

ARTICLE 8
CONSOLIDATION, MERGER, LEASE, SALE OR TRANSFER.....
Section 8.01 When Company May Merge, Etc.....
Section 8.02 Opinion of Counsel.....
Section 8.03 Successor Corporation Substituted.....

ARTICLE 9
SUPPLEMENTAL INDENTURES.....
Section 9.01 Supplemental Indentures Without Consent of Holders.....
Section 9.02 Supplemental Indentures with Consent of Holders.....
Section 9.03 Execution of Supplemental Indentures.....
Section 9.04 Effect of Supplemental Indentures.....
Section 9.05 Conformity with Trust Indenture Act.....
Section 9.06 Reference in Securities to Supplemental Indentures.....
Section 9.07 Subordination Unimpaired.....

ARTICLE 10
COVENANTS.....
Section 10.01 Payments of Securities.....
Section 10.02 Maintenance of Office or Agency.....
Section 10.03 Compliance Certificates.....
Section 10.04 Waiver of Stay, Extension or Usury Laws.....
Section 10.05 Money for Securities Payments to Be Held in Trust.....
Section 10.06 Waiver of Certain Covenants.....

ARTICLE 11
REDEMPTION OF SECURITIES.....
Section 11.01 Applicability of Article.....
Section 11.02 Election to Redeem; Notice to Trustee.....
Section 11.03 Selection by Trustee of Securities to Be Redeemed.....
Section 11.04 Notice of Redemption.....
Section 11.05 Deposit of Redemption Price.....
Section 11.06 Securities Payable on Redemption Date.....
Section 11.07 Securities Redeemed in Part.....

ARTICLE 12
SINKING FUNDS.....
Section 12.01 Applicability of Article.....
Section 12.02 Satisfaction of Sinking Fund Payments with Securities.....
Section 12.03 Redemption of Securities for Sinking Fund.....

ARTICLE 13

DEFEASANCE AND COVENANT DEFEASANCE.....
Section 13.01 Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance.....
Section 13.02 Defeasance and Discharge.....
Section 13.03 Covenant Defeasance.....
Section 13.04 Conditions to Defeasance or Covenant Defeasance.....
Section 13.05 Deposited Money and Government Obligations To Be Held in Trust.....
Section 13.06 Reinstatement.....

ARTICLE 14
SUBORDINATION.....
Section 14.01 Securities Subordinated to Senior Debt.....
Section 14.02 Payment over of Proceeds upon Dissolution, Etc.....
Section 14.03 No Payment When Senior Debt in Default.....
Section 14.04 Payment Permitted If No Default.....
Section 14.05 Subrogation to Rights of Holders of Senior Debt.....
Section 14.06 Provisions Solely to Define Relative Rights.....
Section 14.07 Trustee to Effectuate Subordination.....
Section 14.08 No Waiver of Subordination Provisions.....
Section 14.09 Notice to Trustee.....
Section 14.10 Reliance on Judicial Order or Certificate of Liquidating Agent.....
Section 14.11 Trustee Not Fiduciary for Holders of Senior Debt.....
Section 14.12 Rights of Trustee as Holder of Senior Debt; Preservation of Trustee's Rig
Section 14.13 Article Applicable to Paying Agents.....

ARTICLE 15
GUARANTEES.....
Section 15.01 Guarantee.....

INDENTURE, dated as of _____, 200__ , between SALEM COMMUNICATIONS HOLDING CORP Delaware corporation (herein called the COMPANY), the GUARANTORS listed on Schedule 1 hereto (h GUARANTORS) and THE BANK OF NEW YORK, a New York banking corporation, as Trustee (herein called

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide from time to time of its subordinated debentures, notes or other evidences of indebtedness (herei Securities), to be issued in one or more series as in this Indenture provided.

All things necessary to make this Indenture a valid agreement of the Company, in accorda terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holde is mutually covenanted and agreed, for the equal and ratable benefit of the Holders of the Securi

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. For all purposes of this Indenture, except as otherwise expr or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Ar include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, eithe reference therein, or defined by Commission rule and not otherwise defined herein, have the meani

them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to accordance with GAAP;

(4) the word INCLUDING (and with correlative meaning INCLUDE) means including, the generality of, any description preceding such term; and

(5) the words HEREIN, HEREOF and HEREUNDER and other words of similar import Indenture as a whole and not to any particular Article, Section or other subdivision.

ACT, when used with respect to any Holder, has the meaning specified in Section 1.04.

AFFILIATE of any specified Person means any other Person directly or indirectly contro controlled by or under direct or indirect common control with such specified Person. For purpose definition, CONTROL (including, with correlative meanings, the terms CONTROLLING, CONTROLLED COMMON CONTROL with), as used with respect to any Person, shall mean the possession, directly or the power to direct or cause the direction of the management or policies of such Person, whether ownership of voting securities, by agreement or otherwise. For purposes of this definition, the controlling, controlled by and under common control with shall have correlative meanings.

AUTHENTICATING AGENT means any Person authorized by the Trustee to act on behalf of th authenticate Securities.

BANKING DAY has the meaning specified in Section 1.15.

BANKRUPTCY LAW means Title 11, U.S. Code or any similar federal or state law for the r

BOARD OF DIRECTORS means the board of directors of the Company; provided, however, tha context refers to actions or resolutions of the Board of Directors, then the term BOARD OF DIREC mean any duly authorized committee of the Board of Directors of the Company authorized to act wit particular matter to exercise the power of the Board of Directors of the Company.

BOARD RESOLUTION means a copy of a resolution certified by the Secretary or an Assista the Company to have been duly adopted by the Board of Directors and to be in full force and effec such certification, and delivered to the Trustee.

BUSINESS DAY, when used with respect to any Place of Payment or any other particular l to in this Indenture or in the Securities of any series, means each Monday, Tuesday, Wednesday, T Friday which is not a day on which banking institutions in that Place of Payment are authorized o law or regulation to close.

CAPITAL STOCK means, with respect to any Person, any and all shares, interests, partic warrants, rights, options or other equivalents (however designated) of capital stock or any other of such Person, including each class of common stock and preferred stock.

COMMISSION means the Securities and Exchange Commission, as from time to time constitu under the Exchange Act, or, if at any time after the execution of this instrument such Commission and performing the duties now assigned to it under the Trust Indenture Act, then the body perform at such time.

COMPANY means the Person named as the Company in the first paragraph of this Indentu successor corporation or other entity shall have become such pursuant to the applicable provision Indenture, and thereafter Company shall mean such successor corporation.

COMPANY REQUEST or COMPANY ORDER means a written request or order signed in the name by any two Officers, at least one of whom must be its Chairman of the Board, its Chief Executive President, its Chief Financial Officer, its Chief Accounting Officer, its Treasurer, an Assistant its Controller, and delivered to the Trustee.

CORPORATE TRUST OFFICE means the office of the Trustee at which at any particular time trust business shall be principally administered, which office at the date hereof is located at T

York, 101 Barclay Street, 21 W., New York, New York, 10286, Attn: Corporate Trust Administration.

COVENANT DEFEASANCE has the meaning specified in Section 13.03.

CURRENCY UNIT or CURRENCY UNITS shall mean any composite currency.

CUSTODIAN means any receiver, custodian, trustee, assignee, liquidator, sequestrator o official under any Bankruptcy Law.

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

DEFAULTED INTEREST has the meaning specified in Section 3.07.

DEFEASANCE has the meaning specified in Section 13.02.

DEPOSITARY means, with respect to the Securities of any series issuable or issued in w in the form of one or more global Securities, the Person designated as Depositary by the Company Section 3.01 until a successor Depositary shall have become such pursuant to the applicable provi Indenture, and thereafter Depositary shall mean or include each Person who is then a Depositary if at any time there is more than one such Person, Depositary shall mean the Depositary with re Securities of that series.

DOLLARS and $ means lawful money of the United States of America.

EVENT OF DEFAULT has the meaning specified in Section 5.01.

EXCHANGE ACT means the Securities Exchange Act of 1934, as amended from time to time, and regulations promulgated thereunder.

GAAP means such accounting principles as are generally accepted in the United States o are in effect on the date hereof.

GUARANTEE means the guarantee by any Guarantor of the obligations under this Indenture

HOLDER or SECURITYHOLDER means a Person in whose name a Security is registered in th Register.

INDEBTEDNESS means, with respect to any Person (without duplication for indebtedness o obligations of such Person) , any indebtedness of such Person for money borrowed, whether incurre guaranteed, and including obligations under capitalized leases.

INDENTURE means this instrument as originally executed or as it may from time to time or amended by one or more indentures supplemental hereto entered into pursuant to the applicable hereof and shall include the terms of particular series of Securities established as contemplated

INTEREST, when used with respect to an Original Issue Discount Security which by its t interest only after Maturity, means interest payable after Maturity.

INTEREST PAYMENT DATE, when used with respect to any Security, means the Stated Maturi installment of interest on such Security.

JUDGMENT CURRENCY has the meaning specified in Section 1.15.

MATURITY, when used with respect to any Security, means the date on which the principa Security or an installment of principal becomes due and payable as therein or herein provided, wh Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

OFFICER means, with respect to any Person, the Chairman of the Board, the Chief Execut President, the Chief Operating Officer, any Vice President, the Chief Financial Officer, the Chie Officer, the Treasurer, any Assistant Treasurer, the Controller, any Assistant Controller, the Se Assistant Secretary of such Person.

OFFICERS' CERTIFICATE means a certificate signed by any two Officers of the Company, a
whom must be its Chief Executive Officer, its President, its Chief Financial Officer, its Chief A
Officer, its Treasurer or its Controller, and delivered to the Trustee.

OPINION OF COUNSEL means a written opinion of counsel, who may be an employee of or co
Company, and who shall be reasonably acceptable to the Trustee.

ORIGINAL ISSUE DISCOUNT SECURITY means any Security which provides for an amount less
principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity
pursuant to Section 5.02.

OUTSTANDING, when used with respect to Securities or Securities of any series, means,
of determination, all such Securities theretofore authenticated and delivered under this Indentur

(i) Securities theretofore canceled by the Trustee or delivered to the Trustee for

(ii) Securities, or portions thereof, for whose payment or redemption money in the n
has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in t
aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) f
of such Securities; provided that, if such Securities are to be redeemed, notice of such redempti
given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has

(iii) Securities which have been paid as provided herein or in exchange for or in lie
Securities have been authenticated and delivered pursuant to this Indenture, other than any such
respect of which there shall have been presented to the Trustee proof reasonably satisfactory to
Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations
and

(iv) Securities which have been defeased pursuant to Section 13.02;

provided, however, that in determining whether the Holders of the requisite principal amount of t
Securities have given any request, demand, authorization, direction, notice, consent or waiver he
whether sufficient funds are available for redemption or for any other purpose and for the purpos
calculations required by Section 313 of the Trust Indenture Act, (a) the principal amount of any
Discount Security that shall be deemed to be Outstanding for such purposes shall be that portion
amount thereof that could be declared to be due and payable upon the occurrence of an Event of De
continuation thereof pursuant to the terms of such Original Issue Discount Security as of the dat
determination, (b) the principal amount of a Security denominated in one or more foreign currenci
units shall be the dollar equivalent, determined in the manner provided as contemplated by Sectio
date of original issuance of such Security, of the principal amount (or, in the case of an Origin
Discount Security, the dollar equivalent on the date of original issuance of such Security of the
determined as provided in (a) above) of such Security, and (c) Securities owned by the Company or
obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be dis
deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected
any such request, demand, authorization, direction, notice, consent or waiver, only Securities wh
knows to be so owned shall be so disregarded. Securities so owned which have been pledged in goo
regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee
act with respect to such Securities and that the pledgee is not the Company or any other obligor
Securities or any Affiliate of the Company or of such other obligor.

PAYING AGENT means any Person authorized by the Company to pay the principal of, premi
interest on any Securities on behalf of the Company. The Company may act as Paying Agent with re
Securities issued hereunder.

PERSON means any individual, corporation, partnership, joint venture, association, lim
company, joint-stock company, trust, unincorporated organization or government or any agency or p
subdivision thereof.

PLACE OF PAYMENT, when used with respect to the Securities of any series, means the pl
where the principal of (and premium, if any) and interest on the Securities of that series are pa
specified as contemplated by Section 3.01.

PREDECESSOR SECURITY of any particular Security means every previous Security evidenci
portion of the same debt as that evidenced by such particular Security and, for the purposes of t
any Security authenticated and delivered under Section 3.06 in exchange for or in lieu of a mutil
lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lo
Security.

PROCEEDING has the meaning specified in Section 14.02.

REDEMPTION DATE, when used with respect to any Security of any series to be redeemed,
fixed for such redemption by or pursuant to this Indenture.

REDEMPTION PRICE, when used with respect to any Security of any series to be redeemed,
at which it is to be redeemed pursuant to this Indenture.

REGISTERED SECURITY means any Security issued hereunder and registered in the Security

REGULAR RECORD DATE for the interest payable on any Interest Payment Date on the Secur
series means the date specified for that purpose as contemplated by Section 3.01.

REQUIRED CURRENCY has the meaning specified in Section 1.15.

RESPONSIBLE OFFICER, when used with respect to the Trustee, means any officer of the T
to administer corporate trust matters and also means, with respect to a particular corporate trus
other officer to whom such matter is referred because of his or her knowledge of and familiarity
particular subject.

SECURITIES has the meaning stated in the first recital of this Indenture and more part
any Securities authenticated and delivered under this Indenture.

SECURITIES PAYMENT has the meaning specified in Section 14.02.

SECURITY REGISTER and SECURITY REGISTRAR have the respective meanings specified in S

SENIOR DEBT means the principal of and premium, if any and interest on the following,
outstanding at the date of execution of this Indenture or thereafter incurred or created:

(a) indebtedness of a Person for money borrowed, or evidenced by a note or similar
written agreement given in connection with the acquisition of any businesses, properties or asset
securities,

(b) indebtedness of a Person to banks or financial institutions evidenced by notes
obligations,

(c) indebtedness of a Person evidenced by notes, debentures, bonds or other securit
the provisions of an indenture or similar instrument,

(d) indebtedness of others of the kinds described in the preceding clauses (a), (b)
such Person has assumed, guaranteed or otherwise assured the payment thereof, directly or indirec

(e) deferrals, renewals, extensions and refundings of, or bonds, debentures, notes
evidences of indebtedness issued in exchange for, the indebtedness described in the preceding cla
(d) whether or not there is any notice to or consent of the holders of Securities; except (i) ind
advances among the Company and its direct and indirect subsidiaries and (ii) any particular indeb
deferral, renewal, extension or refunding, if it is expressly stated in the governing terms, or i
or guarantee, thereof that the indebtedness involved is not Senior Debt.

This definition may be modified or superseded in a manner as contemplated by Section 3.01.

SIGNIFICANT SUBSIDIARY of a Person has the meaning ascribed to such term in Rule 1.02(
S-X under the Securities Act of 1933, as amended.

SPECIAL RECORD DATE for the payment of any Defaulted Interest means a date fixed by th
pursuant to Section 3.07.

STATED MATURITY, when used with respect to any Security or any installment of principa
interest thereon, means the date specified in such Security as the fixed date on which the princi
Security or such installment of principal or interest is due and payable.

SUBSIDIARY means, with respect to any Person:

(1) any corporation, association or other business entity of which more than 50% of
voting power of shares of Capital Stock entitled (without regard to the occurrence of any conting
the election of directors, managers or trustees thereof is at the time owned or controlled, direc
indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combinat
and

(2) any partnership (a) the sole general partner or the managing general partner of
Person or a Subsidiary of such Person or (b) the only general partners of which are such Person o
Subsidiaries of such Person (or any combination thereof)

TRUSTEE means the Person named as the Trustee in the first paragraph of this instrum
successor Trustee shall have become such pursuant to the applicable provisions of this Indenture,
Trustee shall mean or include each Person who is then a Trustee hereunder, and if at any time t
one such Person, Trustee as used with respect to the Securities of any series shall mean the Tr
respect to Securities of that series.

TRUST INDENTURE ACT means the Trust Indenture Act of 1939, as amended, as in force at
which this Indenture was executed; provided, however, that in the event that such Act is amended
Trust Indenture Act means, to the extent required by any such amendment, the Trust Indenture Ac
amended.

U.S. GOVERNMENT OBLIGATIONS means securities which are (i) direct obligations of the U
America for the payment of which its full faith and credit is pledged or (ii) obligations of a Pe
or supervised by and acting as an agency or instrumentality of the United States of America the t
which is unconditionally guaranteed by the full faith and credit of the United States of America
case, are not callable or redeemable at the option of the issuer thereof or otherwise subject to
shall also include a depository receipt issued by a New York Clearing House bank or trust company
with respect to any such U.S. Government Obligation, or a specific payment of interest on or prin
such U.S. Government Obligation held by such custodian for the account of the holder of a deposit
provided that (except as required by law) such custodian is not authorized to make any deduction
payable to the holder of such depository receipt from any amount held by the custodian in respect
Government Obligation or the specific payment of interest on or principal of the U.S. Government
evidenced by such depository receipt.

VICE PRESIDENT, when used with respect to the Company or the Trustee, means any vice p
whether or not designated by a number or a word or words added before or after the title vice pr

VOTING STOCK of any Person as of any date means the Capital Stock of such Person that
entitled to vote in the election of the Board of Directors of such Person.

Section 1.02 Compliance Certificates and Opinions. Upon any application or request by
the Trustee to take any action under any provision of this Indenture, the Company shall furnish t
Officers' Certificate stating that all conditions precedent, if any, provided for in this Indentu
the proposed action have been complied with and an Opinion of Counsel stating that in the opinion
all such conditions precedent, if any, have been complied with, except that in the case of any su
or request as to which the furnishing of such documents is specifically required by any provision
Indenture relating to such particular application or request, no additional certificate or opinio
furnished.

Every certificate or opinion with respect to compliance with a condition or covenant pro
this Indenture shall include:

(a) a statement that each individual signing such certificate or opinion has read s

condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigatio
statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he has made such exam
investigation as is necessary to enable him to express an informed opinion as to whether or not s
condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such conditi
has been complied with.

Section 1.03 Form of Documents Delivered to Trustee. In any case where several matters
be certified by, or covered by an opinion of, any specified Person, it is not necessary that all
certified by, or covered by the opinion of, only one such Person, or that they be so certified or
one document, but one such Person may certify or give an opinion with respect to some matters and
other such Persons as to other matters, and any such Person may certify or give an opinion as to
one or several documents.

Any certificate or opinion of an Officer may be based, insofar as it relates to legal ma
certificate or opinion of, or representations by, counsel, unless such Officer actually knows tha
certificate or opinion or representations with respect to the matters upon which his certificate
based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it rela
matters, upon a certificate or opinion of, or representations by, an Officer or Officers of the C
that the information with respect to such factual matters is in the possession of the Company, un
counsel actually knows that the certificate or opinion or representations with respect to such ma
erroneous.

Any certificate, statement or opinion of an Officer of the Company or of counsel may be
as it relates to accounting matters, upon a certificate or opinion of or representations by an ac
of accountants in the employ of the Company, unless such Officer or counsel, as the case may be,
that the certificate or opinion or representations with respect to the accounting matters upon wh
certificate, statement or opinion is based are erroneous.

Where any Person is required to make, give or execute two or more applications, requests
certificates, statements, opinions or other instruments under this Indenture, they may, but need
consolidated and form one instrument.

Section 1.04 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other
by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more
substantially similar tenor signed by such Holders in person or by agents duly appointed in writi
as herein otherwise expressly provided, such action shall become effective when such instrument o
are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such in
instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred
of the Holders signing such instrument or instruments. Proof of execution of any such instrument
appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to S
conclusive in favor of the Trustee and the Company, if made in the manner provided in this Sectio

(b) The fact and date of the execution by any Person of any such instrument or writ
proved by the affidavit of a witness of such execution or by a certificate of a notary public or
authorized by law to take acknowledgments of deeds, certifying that the individual signing such i
writing acknowledged to him the execution thereof. Where such execution is by a signer acting in
other than his individual capacity, such certificate or affidavit shall also constitute sufficien
authority. The fact and date of the execution of any such instrument or writing, or the authorit
executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Registered Securities shall be proved by the Security Register

(d) Any request, demand, authorization, direction, notice, consent, waiver or other
Holder of any Security shall bind every future Holder of the same Security and the Holder of ever

issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in re
anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon,
notation of such action is made upon such Security.

(e) If the Company shall solicit from the Holders any request, demand, authorizatio
notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board R
in advance a record date for the determination of Holders entitled to give such request, demand,
direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do s
the Company may not set a record date for, and the provisions of this paragraph shall not apply w
the giving or making of any notice, declaration, request or direction referred to in the immediat
paragraph. If such a record date is fixed, such request, demand, authorization, direction, notice
waiver or other Act may be given before or after such record date, but only the Holders of record
business on such record date shall be deemed to be Holders for the purposes of determining whethe
requisite proportion of Outstanding Securities have authorized or agreed or consented to such req
authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstand
shall be computed as of such record date; provided that no such authorization, agreement or conse
Holders on such record date shall be deemed effective unless it shall become effective pursuant t
of this Indenture not later than six months after the record date.

(f) The Trustee shall set a record date, which shall not be more than 15 days prior
commencement of solicitation of such action contemplated by this section 1.04(f), for the purpose
the Holders of Securities of any series entitled to join in the giving or making of (i) any Notic
(ii) any declaration of acceleration referred to in Section 5.02, (iii) any direction referred to
5.12, (iv) any request to institute proceedings referred to in Section 5.07(2) or (v) any waiver
pursuant to Section 5.13, in each case with respect to Securities of such series. If such a reco
pursuant to this paragraph, the relevant action may be taken or given before or after such record
the Holders of record at the close of business on such record date shall be deemed to be holders
a series for the purpose of determining whether Holders of the requisite proportion of Outstandin
such series have authorized or agreed or consented to such action, and for that purpose the Outst
Securities of such series shall be computed as of such record date; provided that no such action
such record date shall be deemed effective unless it shall become effective pursuant to the provi
Indenture not later than six months after the record date. Nothing in this paragraph shall be co
prevent the Trustee from setting a new record date for any action for which a record date has bee
to this paragraph (whereupon the record date previously set shall automatically and with no actio
be canceled and of no effect), and nothing in this paragraph shall be construed to render ineffec
taken by Holders of the requisite principal amount of Outstanding Securities of the relevant seri
such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trus
Company's reasonable expense, shall cause notice of such record date and the proposed action by H
given to the Company in writing and to each Holder of Securities of the relevant series in the ma
in Section 1.06.

Section 1.05 Notices, Etc., to Trustee and Company. Any request, demand, authorization
notice, consent, waiver or Act of Holders or other document provided or permitted by this Indentu
upon, given or furnished to, or filed with,

(a) the Trustee by any Holder or by the Company shall be sufficient for every purpo
made, given, furnished or filed in writing and mailed first-class postage prepaid, to or with the
Bank of New York, 101 Barclay Street, 21 W., New York, New York, 10286, Attention: Corporate Trus
Administration; or

(b) the Company by the Trustee or by any Holder shall be sufficient for every purpo
(unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepai
Company addressed to it at Salem Communications Holding Corporation, 4880 Santa Rosa Road, Suite
California, 93012, Attention: General Counsel, or at any other address previously furnished in w
Trustee by the Company.

Section 1.06 Notice to Holders; Waiver. Where this Indenture or any Security provides
Holders of any event, such notice shall be deemed sufficiently given (unless otherwise herein or
expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affecte
at his address as it appears in the Security Register, not later than the latest date, and not ea
earliest date, prescribed for the giving of such notice. In any case where notice to Holders is
neither the failure to mail such notice, nor any defect in any notice so mailed, to any particula

affect the sufficiency of such notice with respect to other Holders or the validity of the procee
such notice relates.

In case by reason of the suspension of regular mail service or by reason of any other ca
impracticable to give such notice by mail, them such notification as shall be made with the appro
Trustee shall constitute a sufficient notification for every purpose hereunder.

Any request, demand, authorization, direction, notice, consent or waiver required or per
this Indenture shall be in the English language, except that any published notice may be in an of
of the country of publication.

Where this Indenture or any Security provides for notice in any manner, such notice may
writing by the Person entitled to receive such notice, either before or after the event, and such
the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but
shall not be a condition precedent to the validity of any action taken in reliance upon such waiv

Section 1.07 Conflict with Trust Indenture Act. If any provision hereof limits, qualif
with another provision hereof which is required to be included or deemed included in this Indentu
provisions of the Trust Indenture Act, such required provision shall control. If any provision o
modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded
of the Trust Indenture Act shall be deemed to apply to this Indenture as so modified or shall be
case may be.

Section 1.08 Effect of Headings and Table of Contents. The Article and Section heading
Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09 Successors and Assigns. All covenants and agreements in this Indenture by
shall bind its successors and assigns, whether so expressed or not.

Section 1.10 Separability Clause. In case any provision in this Indenture or in the Se
be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining
not in any way be affected or impaired thereby.

Section 1.11 Benefits of Indenture. Nothing in this Indenture or in the Securities, ex
implied, shall give to any Person, other than the parties hereto and their successors hereunder,
to the extent specifically set forth herein the holders of Senior Debt, any benefit or any legal
right, remedy or claim under this Indenture.

Section 1.12 Governing Law. This Indenture and the Securities shall be governed by and
accordance with the laws (other than the choice of law provisions) of the State of New York.

Section 1.13 Legal Holidays. In any case where any Interest Payment Date, Redemption D
fund payment date, Stated Maturity or Maturity of any Security shall not be a Business Day at any
Payment, then (notwithstanding any other provision of this Indenture or of the Securities other t
in the Securities of any series which specifically states that such provision shall apply in lieu
Section) payment of interest or principal (and premium, if any) need not be made at such Place of
date, but may be made on the next succeeding Business Day or on such other day as may be set out
Certificate pursuant to Section 3.01 at such Place of Payment with the same force and effect as i
Interest Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, a
be, provided that no interest shall accrue on the amount so payable for the period from and after
Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, as the cas
payment is made on such next succeeding Business Day or other day set out in such Officers' Certi

Section 1.14 No Recourse Against Others. A director, officer, employee or stockholder,
Company or any Guarantor (other than a stockholder which itself is the Company or a Guarantor of
shall not have any liability for any obligations of the Company or any Guarantor under the Securi
Indenture or for any claim based on, in respect of or by reason of such obligations or their crea
Securityholder, by accepting a Security, waives and releases all such liability. Such waivers an
part of the consideration for the issuance of the Securities.

Section 1.15 Judgment Currency. The Company agrees, to the fullest extent that it may
so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is nec

convert the sum due in respect of the principal of, or premium or interest, if any, on the Securi series (the REQUIRED CURRENCY) into a currency in which a judgment will be rendered (the JUDGM the rate of exchange used shall be the rate at which in accordance with normal banking procedures could purchase in New York, New York the Required Currency with the Judgment Currency on the Bank preceding that on which a final unappealable judgment is given and (b) its obligations under this make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any curre the Required Currency, except to the extent that such tender or recovery shall result in the actu the payee, of the full amount of the Required Currency expressed to be payable in respect of such shall be enforceable as an alternative or additional cause of action for the purpose of recoverin Required Currency the amount, if any, by which such actual receipt shall fall short of the full a Required Currency so expressed to be payable and (iii) shall not be affected by judgment being ob other sum due under this Indenture. For purposes of the foregoing, BANKING DAY means any day e Saturday, Sunday or a legal holiday in New York, New York or a day on which banking institutions Delaware are authorized or required by law or executive order to close.

Section 1.16 Counterparts. This instrument may be executed in any number of counterpar which so executed shall be deemed to be an original, but all such counterparts shall together con and the same instrument.

ARTICLE 2
SECURITY FORMS

Section 2.01 Forms Generally. The Securities of each series shall be in substantially forth in this Article, or in such other form as shall be established by or pursuant to a Board Re one or more indentures supplemental hereto, in each case with such appropriate insertions, omissi substitutions and other variations as are required or permitted by this Indenture, and may have s numbers or other marks of identification and such legends or endorsements placed thereon as may b comply with the rules of any securities exchange or as may, consistently herewith, be determined executing such Securities, as evidenced by their execution of the Securities. If the form of Sec series is established by action taken pursuant to a Board Resolution, a copy of an appropriate re action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered at or prior to the delivery of the Company Order contemplated by Section 3.03 for the authenticat of such Securities.

The definitive Securities shall be printed, lithographed or engraved on steel engraved b produced in any other manner, all as determined by the officers executing such Securities, as evi execution of such Securities.

Section 2.02 Form of Face of Security.

SALEM COMMUNICATIONS HOLDING CORPORATION

No. _____ .....

Salem Communications Holding Corporation, a corporation duly organized and existing unde Delaware (herein called the COMPANY, which term includes any successor corporation under the In hereinafter referred to) , for value received, hereby promises to pay to _____ , or reg the principal sum of _____ (Dollars) on _____ (if the Security is to bear int Maturity, insert - and to pay interest thereon from or from the most recent Interest Payment Date interest has been paid or duly provided for, semi-annually on _____ and _____ (if other than semi-annual payments, insert frequency of payments and payment dates), commencing _____ , at (if the Security is to bear interest at a fixed rate, insert - the rate annum), (if the Security is to bear interest at a variable or floating rate and if determined wit an index, refer to description of index below) until the principal hereof is paid or made availab (if applicable insert -, and (to the extent that the payment of such interest shall be legally en the rate of _____% per annum on any overdue principal and premium and on any overdue installment The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date w in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor registered at the close of business on the Regular Record Date for such interest, which shall be _____ or _____ (whether or not a Business Day), as the case may be, next preceding Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease

to the Holder on such Regular Record Date and may either be paid to the Person in whose name this one or more Predecessor Securities) is registered at the close of business on a Special Record Da payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to H Securities of this series not less than 10 days prior to such Special Record Date, or be paid at other lawful manner not inconsistent with the requirements of any securities exchange on which th this series may be listed, and upon such notice as may be required by such exchange, all as more in said Indenture).

(If the Securities are floating or adjustable rate securities with respect to which the any premium or interest may be determined with reference to an index, insert the text of the floa adjustable rate provision.)

(If the Security is not to bear interest prior to Maturity, insert - The principal of th shall not bear interest except in the case of a default in payment of principal upon acceleration redemption or at Stated Maturity and in such case the overdue principal of this Security shall be the rate of _____% per annum (to the extent that the payment of such interest shall be legally en which shall accrue from the date of such default in payment to the date payment of such principal or duly provided for. Interest on any overdue principal shall be payable on demand. Any such in overdue principal that is not so paid on demand shall bear interest at the rate of _____% per ann extent that the payment of such interest shall be legally enforceable), which shall accrue from t demand for payment to the date payment of such interest has been made or duly provided for, and s shall also be payable on demand.)

(If the Securities are to be Payment-in-Kind Securities, insert the text of the P1K prov

Payment of the principal of (and premium, if any) and (if applicable, insert -any such) Security will be made at the office or agency of the Company maintained for that purpose in _____ dollars (if applicable, insert -; provided, however, that at the option of the Company, payment o be made by check mailed to the address of the Person entitled thereto as such address shall appea Security Register).

(If applicable, insert - So long as all of the Securities of this series are represented in global form, the principal of, premium, if any, and interest, if any, on this global Security same day funds to the Depositary, or to such name or entity as is requested by an authorized repr the Depositary. If at any time the Securities of this series are no longer represented by global are issued in definitive certificated form, then the principal of, premium, if any, and interest, certificated Security at Maturity shall be paid in same day funds to the Holder upon surrender of certificated Security at the Corporate Trust Office of the Trustee, or at such other place or pla designated in or pursuant to the Indenture, provided that such certificated Security is surrender Trustee, or at such other place or places as may be designated in or pursuant to the Indenture, p such certificated Security is surrendered to the Trustee, acting as Paying Agent, in time for the make such payments in such funds in accordance with its normal procedures. Payments of interest such certificated Securities other than at Maturity may, at the option of the Company, be made by the address of the Person entitled thereto as it appears on the Security Register on the relevant Special Record Date or by wire transfer in same day funds to such account as may have been approp designated to the Paying Agent by such Person in writing not later than such relevant Regular or Date.)

Reference is hereby made to the further provisions of this Security set forth on the rev which further provisions shall for all purposes have the same effect as if set forth at this plac

Unless the certificate of authentication hereon has been executed by the Trustee referre reverse hereof by manual signature, this Security shall not be entitled to any benefit under the valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its

SALEM COMMUNICATIONS HOLDING CORPORATION

By: _____

Attest:

_____

(SEAL)

200__

Section 2.03 Form of Reverse of Security.

This Security is one of a duly authorized issue of securities of the Company (herein cal SECURITIES), issued and to be issued in one or more series under an Indenture, dated as of ____ 200__ (herein called the INDENTURE), between the Company and The Bank of New York, as Trustee (the TRUSTEE, which term includes any successor trustee under the Indenture), to which Indenture indentures supplemental thereto reference is hereby made for a statement of the respective rights rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Secur terms upon which the Securities are, and are to be, authenticated and delivered. This Security i series designated on the face hereof {, limited in aggregate principal amount to $

{The Securities of this series are subject to redemption upon not less than 30 nor more notice by first class mail, (if applicable, insert -(1) on _____ in any year commencing with _____ and ending with the year _____ through operation of the sinking fund for this ser Redemption Price equal to 100% of the principal amount, and (2)) at any time (on or after _____ a whole or in part, at the election of the Company, at the following Redemption Prices (expressed of the principal amount):

If redeemed (on or before _____ , _____%, and if redeemed) during the 12-month beginning _____ of the years indicated,

YEAR	REDEMPTION PRICE

- - - -

- - - -

Security is registrable in the Security Register, upon surrender of this Security for registratio
the office or agency of the Company in any place where the principal of (and premium, if any) and
this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer i
satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his
authorized in writing, and thereupon one or more new Securities of this series, of authorized den
for the same Stated Maturity and aggregate principal amount, will be issued to the designated tra
transferees.

The Securities of this series are issuable only in registered form without coupons in de
($1,000) and any integral multiple thereof. As provided in the Indenture and subject to certain
therein set forth, Securities of this series are exchangeable for a like aggregate principal amou
of this series of a different authorized denomination, as requested by the Holder surrendering th

No service charge shall be made for any such registration of transfer or exchange, but t
require payment of a sum sufficient to cover any tax or other governmental charge payable in conn

Prior to due presentment of this Security for registration of transfer, the Company, the
agent of the Company or the Trustee may treat the Person in whose name this Security is registere
hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Tr
such agent shall be affected by notice to the contrary.

The Indenture imposes certain limitations on the ability of the Company to, among other
consolidate with any other Person or sell, assign, transfer or lease all or substantially all of
or assets {If other covenants are applicable pursuant to the provisions of Section 3.01, insert h
covenants and limitations are subject to a number of important qualifications and exceptions. Th
report periodically to the Trustee on compliance with the covenants in the Indenture.

A director, officer, employee or stockholder, as such, of the Company shall not have any
any obligations of the Company under this Security or the Indenture or for any claim based on, in
by reason of, such obligations or their creation. Each Holder, by accepting a Security, waives a
such liability. The waiver and release are part of the consideration for the issuance of this Se

(If applicable, insert - A director, officer, employee or stockholder, as such, of the
not have any liability for any obligations of the Company or such Guarantor under this Security o
(if applicable, insert - or the supplemental indenture) or for any claim based on, in respect of
of, such obligations or their creation. Each Holder, by accepting a Security, waives and release
liability. The waiver and release are part of the consideration for the issuance of this Securit

(If applicable, insert - This Security will be entitled to the benefits of certain Guar
the benefit of the Holders. Reference is hereby made to the Indenture and the supplemental inden
statement of the respective rights, limitations of rights, duties and obligations thereunder of t
if any, the Trustee and the Holders.)

(If applicable, insert - Pursuant to a recommendation promulgated by the Committee on Un
Identification Procedures (CUSIP), the Company has caused CUSIP numbers to be printed on the Se
series as a convenience to the Holders of the Securities of this series. No representation is ma
correctness or accuracy of such numbers as printed on the Securities of this series and reliance
only on the other identification numbers printed hereon.)

All terms used in this Security which are defined in the Indenture shall have the meanin
them in the Indenture.

ASSIGNMENT FORM

To assign this Security, fill in the form below: (I) or (we) assign and transfer this S

_____

.....(Insert assignee's social security or tax I.D. number)

_____

_____

_____

.....(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ agent to transfer this Security on the Company. The agent may substitute another to act for him.

Dated:_____.....Your signature: _____
..... (Sign exactly as you name other side of this Security)

Signature Guaranty:_____
(Signatures must be guaranteed by an "eligible guarantor institution" meeting t requirements of the Transfer Agent, which requirements will include membership participation in STAMP or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, accordance with the Exchange Act.)

Social Security Number or Taxpayer Identification Number

_____

Section 2.04 Form of Trustee's Certificate of Authentication. The Trustee's certificat authentication shall be in substantially the following form:

Dated: _____

This is one of the Securities of the series designated therein referred to in the within Indenture.

THE BANK OF NEW YORK,
As Trustee

By _____
Authorized Signatory

Section 2.05 Securities in Global Form. If Securities of or within a series are issuab in part in global form, then any such Security of such series may provide that it shall represent or a specified amount of the Outstanding Securities of such series from time to time endorsed the also provide that the aggregate amount of Outstanding Securities of such series represented there to time be reduced or increased to reflect exchanges. Any endorsement of a Security in global fo the amount, or any increase or decrease in the amount, or changes in the rights of Holders, of Ou Securities represented thereby shall be made in such manner and upon instructions given by such P as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 3.04. Subject to the provisions of Section 3.03 and, if applicable, Section 3.04, the Tru deliver and redeliver any Security in permanent global form in the manner and upon instructions g Person or Persons specified therein or in the applicable Company Order. If a Company Order pursu 3.03 or 3.04 has been, or simultaneously is, delivered, any instructions by the Company with resp endorsement or delivery or redelivery of a Security in global form shall be in writing but need n Section 1.02 and need not be accompanied by an Opinion of Counsel.

The provisions of the last paragraph of Section 3.03 shall apply to any Security represe Security in global form if such Security was never issued and sold by the Company and the Company Trustee the Security in global form together with written instructions (which need not comply wit and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the princip Securities represented thereby.

Notwithstanding the provisions of Sections 2.01 and 3.07, unless otherwise specified as Section 3.01, payment of principal of and premium, if any, and interest on any Security in perman shall be made to the Person or Persons specified therein.

Section 2.06 Form of Legend for the Securities in Global Form. Any Security in global
authenticated and delivered hereunder shall bear a legend in substantially the following form, or
form as may be necessary or appropriate to reflect the arrangements with or to comply with the re
any Depositary:

> THIS SECURITY IS IN GLOBAL FORM WITHIN THE MEANING OF THE INDENTURE HEREINAFTE
> AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. UN
> IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN CERTIFICATED FORM IN THE
> CIRCUMSTANCES DESCRIBED IN THE INDENTURE, THIS SECURITY MAY NOT BE TRANSFERRED
> WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE D
> DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUC
> SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

ARTICLE 3
THE SECURITIES

Section 3.01 Amount Unlimited; Issuable in Series. The aggregate principal amount of S
may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued from time to time in one or more series. Prior to the issu
Securities of any series, there shall be established in or pursuant to (i) a Board Resolution, (i
pursuant to a Board Resolution and (subject to Section 3.03) set forth, or determined in the mann
an Officers' Certificate, or (iii) one or more indentures supplemental hereto:

(1) the title of the Securities of the series (which shall distinguish the Securiti
from all other Securities)

(2) the purchase price, denomination and any limit upon the aggregate principal amo
Securities of the series which may be authenticated and delivered under this Indenture (except fo
authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of,
of the series pursuant to Sections 3.04, 3.05, 3.06, 9.06 or 11.07);

(3) the date or dates on which the principal of and premium, if any, on the Securit
series is payable or the method of determination thereof;

(4) the rate or rates at which the Securities of the series shall bear interest, if
method of calculating such rate or rates of interest, whether the interest on the Securities will
form of additional Securities and if so, the terms and provisions for the payment of such additio
including, without limitation, the method for calculating the amount of additional Securities so
date or dates from which such interest shall accrue or the method by which such date or dates sha
determined, the Interest Payment Dates on which any such interest shall be payable and the Regula
if any, for the interest payable on any Interest Payment Date;

(5) the place or places where the principal of, premium, if any, and interest, if a
Securities of the series shall be payable;

(6) the place or places where the Securities may be exchanged or transferred;

(7) the period or periods within which, the price or prices at which, the currency
(including currency unit or units) in which, and the other terms and conditions upon which Securi
series may be redeemed, in whole or in part, at the option of the Company, and, if other than as
Section 11.03, the manner in which the particular Securities of such series (if less than all Sec
series are to be redeemed) are to be selected for redemption;

(8) the obligation, if any, of the Company to redeem or purchase Securities of the
or in part pursuant to any sinking fund or analogous provisions or upon the happening of a specif
the option of a Holder thereof and the period or periods within which, the price or prices at whi
other terms and conditions upon which Securities of the series shall be redeemed or purchased, in
part, pursuant to such obligation;

(9) if other than denominations of $1,000 and any integral multiple thereof, the de

which Securities of the series shall be issuable;

(10) if other than U.S. dollars, the currency or currencies (including currency unit which payments of principal of, premium, if any, and interest on the Securities of the series sha payable, or in which the Securities of the series shall be denominated, and the particular provis thereto;

(11) if the payments of principal of, premium, if any, or interest on the Securities are to be made, at the election of the Company or a Holder, in a currency or currencies (includin or units) other than that in which such Securities are denominated or designated to be payable, t currencies (including currency unit or units) in which such payments are to be made, the terms an such payments and the manner in which the exchange rate with respect to such payments shall be de the particular provisions applicable thereto;

(12) if the amount of payments of principal of, premium, if any, and interest on the the series shall be determined with reference to an index, formula or other method (which index, method may be based, without limitation, on a currency or currencies (including currency unit or than that in which the Securities of the series are denominated or designated to be payable), the or other method by which such amounts shall be determined;

(13) if other than the principal amount thereof, the portion of the principal amount of the series which shall be payable upon declaration of acceleration of the Maturity thereof pur 5.02 or the method by which such portion shall be determined;

(14) any modifications of or additions to the Events of Default or the covenants of forth herein with respect to Securities of the series and whether and the conditions under which the Securities of the series may waive any such Event of Default or compliance with any such cove the Securities of such series;

(15) if either or both of Section 13.02 and Section 13.03 shall be inapplicable, in part, to the Securities of the series (provided that if no such inapplicability shall be specifie Section 13.02 and Section 13.03 shall be applicable to the Securities of the series) and any modi either such section as it relates to such series of Securities;

(16) if other than the Trustee, the identity of the Registrar and any Paying Agent;

(17) if the Securities of the series shall be issued in whole or in part in global f Depositary for such global Securities, (ii) the form of any legend in addition to or in lieu of t 2.06 which shall be borne by such global Security, (iii) whether beneficial owners of interests i of the series in global form may exchange such interests for certificated Securities of such seri tenor of any authorized form and denomination, and (iv) if other than as provided in Section 3.05 circumstances under which any such exchange may occur;

(18) if the Holders of the Securities of the series may convert or exchange the Secu series into or for securities of the Company or of other entities or other property (or the cash the specific terms of and period during which such conversion or exchange may be made;

(19) if the Securities of the series shall have the benefits of any Guarantee and, i identity of the Guarantor or Guarantors and the terms and provisions applicable to any such Guara

(20) any provisions for the satisfaction and discharge of the Securities of the seri provisions in addition to or modifying the provisions of Article 4 as they pertain to Securities

(21) any addition to or change in the covenants set forth in Article 10 which applie of the series;

(22) the subordination of the Securities of such series to other Indebtedness of the including without limitation, the Securities of any other series; and

(23) any other terms of the series, including any terms which may be required by or the laws of the United States of America or regulations thereunder or advisable (as determined by connection with the marketing of Securities of the series.

All Securities of any one series shall be substantially identical except as to denominat as may otherwise be provided (i) by a Board Resolution, (ii) by action taken pursuant to a Board (subject to Section 3.03) set forth, or determined in the manner provided, in an Officers' Certif in any such indenture supplemental hereto. All Securities of any one series need not be issued a and, unless otherwise provided, a series may be reopened, without the consent of the Holders, for additional Securities of such series.

If any of the terms of the Securities of any series are established by action taken purs Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers setting forth, or providing the manner for determining, the terms of the Securities of such serie appropriate record of any action taken pursuant thereto in connection with the issuance of any Se series shall be delivered to the Trustee prior to the authentication and delivery thereof.

Section 3.02 Denominations. The Securities of each series shall be issuable in registe coupons in such denominations as shall be specified as contemplated by Section 3.01. In the abse provisions with respect to the Securities of any series, the Securities of such series shall be i denominations of $1,000 and any integral multiple thereof.

Section 3.03 Execution, Authentication, Delivery and Dating. The Securities shall be e behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its President, i Financial Officer, or its Chief Accounting Officer attested by its Secretary or one of its Assist Secretaries. The signature of any of these officers on the Securities may be manual or facsimile and other minor errors or defects in any such reproduction of the seal or any such signature shal validity or enforceability of any Security that has been duly authenticated and delivered by the

Securities bearing the manual or facsimile signatures of individuals who were at any tim officers of the Company shall bind the Company, notwithstanding that such individuals or any of t to hold such offices prior to the authentication and delivery of such Securities or did not hold the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, th deliver Securities of any series executed by the Company to the Trustee for authentication, toget Company Order for the authentication and delivery of such Securities, and the Trustee in accordan Company Order shall authenticate and make such Securities available for delivery. If the form or Securities of the series have been established in or pursuant to one or more Board Resolutions as Sections 2.01 and 3.01, in authenticating such Securities, and accepting the additional responsib this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (sub 315(a) through (d) of the Trust Indenture Act) shall be fully protected in relying upon, an Opini stating (subject to customary assumptions, conditions and exceptions)

(a) if the terms of such Securities have been established by or pursuant to Board R permitted by Section 3.01, that such terms have been established in conformity with the provision Indenture; and

(b) that such Securities, when authenticated and delivered by the Trustee and issue in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute legally binding obligations of the Company, enforceable in accordance with their terms, except to enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, f conveyance and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding law).

If such terms have been so established, the Trustee shall not be required to authenticat Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's o duties or immunities under the Securities and this Indenture or otherwise in a manner which is no acceptable to the Trustee, or in the written opinion of counsel to the Trustee (which counsel may of the Trustee) such authentication may not lawfully be made or would involve the Trustee in pers

Notwithstanding the provisions of Section 3.01 and of the immediately preceding paragrap Securities of a series are not to be originally issued at one time, it shall not be necessary to

Board Resolution and the Officers' Certificate otherwise required pursuant to Section 3.01 or the and Opinion of Counsel otherwise required pursuant to the second preceding paragraph at or prior authentication of each Security of such series if such documents are delivered at or prior to the upon original issuance of the first Security of such series to be issued.

If the Company shall establish pursuant to Section 3.01 that the Securities of a series in whole or in part in the form of one or more global Securities, then the Company shall execute shall, in accordance with this Section and the Company Order with respect to the authentication a such series, authenticate and deliver one or more Securities of such series in global form that (an aggregate amount equal to the aggregate principal amount of the Outstanding Securities of such represented by such Security or Securities in global form, (ii) shall be registered in the name o for such Security or Securities in global form or its nominee, and (iii) shall be made available the Trustee to such Depositary or pursuant to such Depositary's instruction.

The Trustee shall have no responsibility to determine if the Depositary is so registered Depositary shall enter into an agreement with the Trustee and the Company governing the respectiv rights of such Depositary, the Company and the Trustee with regard to Securities issued in global

Unless otherwise provided for in the form of Security, each Security shall be dated the authentication.

No Security shall be entitled to any benefits under this Indenture or be valid or obliga purpose unless there appears on such Security a certificate of authentication substantially in th for herein executed by the Trustee or an Authenticating Agent by manual signature, and such certi Security shall be conclusive evidence, and the only evidence, that such Security has been duly au delivered hereunder and is entitled to the benefits of this Indenture.

Notwithstanding the foregoing, if any Security shall have been authenticated and deliver never issued and sold by the Company, and the Company shall deliver such Security to the Trustee as provided in Section 3.09 together with a written statement (which need not comply with Section not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and Company, for all purposes of this Indenture such Security shall be deemed never to have been auth delivered hereunder and shall not be entitled to the benefits of this Indenture.

Section 3.04 Temporary Securities. Pending the preparation of definitive Securities of Company may execute, and upon Company Order the Trustee shall authenticate and make available for temporary Securities of such series which are printed, lithographed, typewritten, mimeographed or produced, in any authorized denomination, substantially of the tenor of the definitive Securities which they are issued and with such appropriate insertions, omissions, substitutions and other va officers executing such Securities may determine, as evidenced by their execution of such Securit

In the case of Securities of any series, such temporary Securities may be in global form all or a portion of the Outstanding Securities of such series.

Except in the case of temporary Securities in global form (which shall be exchanged in a the provisions thereof), if temporary Securities of any series are issued, the Company will cause Securities of that series to be prepared without unreasonable delay. After the preparation of de Securities of such series, the temporary Securities of such series shall be exchangeable for defi Securities of such series upon surrender of the temporary Securities of such series at the office the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender of any one or more temporary Securities of any series, the Company shall execute and the Trustee authenticate and make available for delivery in exchange therefor a like principal amount of defi Securities of the same series of authorized denominations and of like tenor. Until so exchanged, Securities of any series shall in all respects be entitled to the same benefits under this Indent definitive Securities of such series.

Section 3.05 Registration, Registration of Transfer and Exchange. The Company shall ca at the Corporate Trust Office of the Trustee or in any office or agency to be maintained by the C accordance with Section 10.02 in a Place of Payment a register (the register maintained in such o other office or agency of the Company in a Place of Payment being herein sometimes collectively r the SECURITY REGISTER) in which, subject to such reasonable regulations as it may prescribe, th provide for the registration of Securities and of registration of transfers of Securities. The T

appointed SECURITY REGISTRAR for the purpose of registering Securities and transfers of Securit
provided.

Upon surrender for registration of transfer of any Security of any series at the office
Company in a Place of Payment for that series, the Company shall execute, and the Trustee shall a
make available for delivery, in the name of the designated transferee or transferees, one or more
of the same series, of any authorized denominations and of a like aggregate principal amount and

At the option of the Holder, Securities of any series (except a Security in global form)
exchanged for other Securities of the same series, of any authorized denominations and of a like
principal amount and Stated Maturity, upon surrender of the Securities to be exchanged at such of
Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trust
authenticate and make available for delivery, the Securities which the Holder making the exchange
receive.

Each Security issued in global form authenticated under this Indenture shall be register
of the Depositary designated for such series or a nominee thereof and delivered to such Depositar
thereof or custodian therefor, and each such Security issued in global form shall constitute a si
for all purposes of this Indenture.

Notwithstanding any other provision of this Section, unless and until it is exchanged in
part for Securities in certificated form in the circumstances described below, a Security in glob
representing all or a portion of the Securities of a series may not be transferred except as a wh
Depositary such series to a nominee of such Depositary or by a nominee of such Depositary to such
another nominee of such Depositary or by such Depositary or any such nominee to a successor Depos
series or a nominee of such successor Depositary.

If at any time the Depositary for the Securities of a series notifies the Company that i
or unable to continue as Depositary for the Securities of such series or defaults in the performa
duties as Depositary or it at any time the Depositary for the Securities of such series shall no
eligible to perform such duties, the Company shall appoint a successor Depositary with respect to
of such series. If a successor Depositary for the Securities of such series is not appointed by
within 90 days after the Company receives such notice or becomes aware of such ineligibility, the
selection pursuant to Section 3.01(b)(17) shall no longer be effective with respect to the Securi
series and the Company shall execute, and the Trustee, upon receipt of a Company Order for the au
delivery of certificated Securities of such series of like tenor, shall authenticate and deliver
such series of like tenor in certificated form, in authorized denominations and in an aggregate p
equal to the principal amount of the Security or Securities of such series of like tenor in globa
exchange for such Security or Securities in global form.

The Company may at any time in its sole discretion determine that Securities issued in g
no longer be represented by such a Security or Securities in global form. In such event the Comp
execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of
Securities of such series of like tenor, shall authenticate and deliver, Securities of such serie
in certificated form, in authorized denominations and in an aggregate principal amount equal to t
amount of the Security or Securities of such series of like tenor in global form in exchange for
Securities in global form.

If specified by the Company pursuant to Section 3.01 with respect to a series of Securit
Depositary for such series may surrender a Security in global form of such series in exchange in
for Securities of such series in certificated form on such terms as are acceptable to the Company
Depositary. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver
service charge,

(i) to each Person specified by such Depositary a new certified Security o
the same series of like tenor, of any authorized denomination as requested by such Perso
principal amount equal to and in exchange for such Person's beneficial interest in the S
global form; and

(ii) to such Depositary a new Security in global form of like tenor in a de
to the difference, if any, between the principal amount of the surrendered Security in g
the aggregate principal amount of certificated Securities delivered to Holders thereof.

Upon the exchange of a Security in global form for Securities in certificated form, such global form shall be canceled by the Trustee. Securities issued in exchange for a Security in gl pursuant to this Section shall be registered in such names and in such authorized denominations a for such Security in global form, pursuant to instructions from its direct or indirect participan shall instruct the Trustee. The Trustee shall deliver such Securities to the Persons in whose nam Securities are so registered.

Whenever any Securities are surrendered for exchange, the Company shall execute, and the authenticate and deliver, the Securities which the Holder making the exchange is entitled to rece

All Securities issued upon any registration of transfer or exchange of Securities shall obligations of the Company, evidencing the same debt, and entitled to the same benefits under thi the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange sha required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrume in form satisfactory to the Company and the Security Registrar duly executed by the Holder thereo attorney duly authorized in writing.

Unless otherwise provided in the Securities to be transferred or exchanged, no service c made for any registration of transfer or exchange of Securities, but the Company may require paym sufficient to cover any tax or other governmental charge that may be imposed in connection with a of transfer or exchange of Securities, other than exchanges pursuant to Section 3.04, 9.06 or 11. any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeeme Company shall not be required (i) to issue, register the transfer of or exchange Securities of su a period beginning at the opening of business 15 days before the day of the mailing of a notice o Securities of that series selected for redemption under Section 11.03 and ending at the close of day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for whole or in part, except the unredeemed portion of any Security being redeemed in part.

The foregoing provisions relating to registration, transfer and exchange may be modified or superseded with respect to any series of Securities by a Board Resolution or in one or more in supplemental hereto.

Section 3.06 Mutilated, Destroyed, Lost and Stolen Securities. If any mutilated Securi surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deli therefor a new Security of the same series and of like tenor and principal amount and bearing a n contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfa destruction, loss or theft of any Security and (ii) such security or indemnity as may be required each of them and any agent of either of them harmless, then, in the absence of notice to the Comp Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute request the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security of the same series and of like tenor and principal amount and bearing a number not conte outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the pa sufficient to cover any tax or other governmental charge that may be imposed in relation thereto expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroye stolen Security shall constitute an original additional contractual obligation of the Company, wh destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entit benefits of this Indenture equally and proportionately with any and all other Securities of that issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) a and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen S

Section 3.07 Payment of Interest; Interest Rights Preserved. Interest on any Security payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid whose name that Security (or one or more Predecessor Securities) is registered at the close of bu Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid for, on any Interest Payment Date (herein called DEFAULTED INTEREST) shall forthwith cease to b Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Default be paid by the Company, at its election in each case, as provided in Clause (1) or (2) below:

(1) The Company may elect to make payment of any Defaulted Interest to the Persons the Securities of such series (or their respective Predecessor Securities) are registered at the business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixe following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Inte be paid on each Security of such series and the date of the proposed payment (which shall be not days after the receipt by the Trustee of such notice, unless such Trustee shall consent to an ear at the same time the Company shall deposit with the Trustee an amount of money equal to the aggre proposed to be paid in respect of such Defaulted Interest or shall make arrangements reasonably s the Trustee for such deposit prior to the date of the proposed payment, such money when deposited trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause provid the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shal than 15 days and not less than 10 days prior to the date of the proposed payment and not less tha the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly not of such Special Record Date and, in the name and at the reasonable expense of the Company, shall the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed postage prepaid, to each Holder of Securities of such series at his address as it appears in the Register, not less than 10 days prior to such Special Record Date. Notice of the proposed paymen Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Int paid to the Persons in whose names the Securities of such series (or their respective Predecessor registered at the close of business on such Special Record Date and shall no longer be payable pu following Clause (2).

(2) The Company may make payment of any Defaulted Interest on the Securities of any other lawful manner not inconsistent with the requirements of any securities exchange on which su may be listed, and upon such notice as may be required by such exchange, if, after notice given b the Trustee of the proposed payment pursuant to this Clause (2), such manner of payment shall be practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this registration of transfer of or in exchange for or in lieu of any other Security shall carry the r interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 3.08 Persons Deemed Owners. Prior to due presentment of a Security for registr transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Pers such Security is registered as the owner of such Security for the purpose of receiving payment of premium, if any, and (subject to Sections 3.05 and 3.07) interest on such Security and for all ot whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee or any agent of the Company or the Trustee shall have a responsibility or liability for any aspect of the records relating to or payments made on account ownership interest of a Security in global form, or for maintaining, supervising or reviewing any relating to such beneficial ownership interest. Notwithstanding the foregoing, with respect to a global form, nothing herein shall prevent the Company or the Trustee or any agent of the Company from giving effect to any written certification, proxy or other authorization furnished by any De nominee), as a Holder, with respect to such Security in global form or impair, as between such De owners of beneficial interests in such Security in global form, the operation of customary practi the exercise of the right of such Depositary (or its nominee) as holder of such Security in globa

Section 3.09 Cancellation. All Securities surrendered for payment, redemption, registr transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any than the Trustee, be delivered to the Trustee and shall be promptly canceled by it. The Company deliver to the Trustee for cancellation any Securities previously authenticated and delivered her Company may have acquired in any manner whatsoever, and all Securities so delivered shall be prom the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities ca provided in this Section, except as expressly permitted by this Indenture. All canceled Securiti by the Trustee and may be destroyed (and, if so destroyed, certification of their destruction sha to the Company, unless, by a Company Order, the Company shall direct that canceled Securities be

Section 3.10 Computation of Interest. Except as otherwise specified as contemplated by for Securities of any series, interest on the Securities of each series shall be computed on the of twelve 30-day months.

Section 3.11 CUSIP Number. The Company in issuing Securities of any series may use a and if so, the Trustee may use the CUSIP number in notices of redemption or exchange as a conveni of such series; provided, that any such notice may state that no representation is made as to the accuracy of the CUSIP number printed on the notice or on the Securities of such series, and that placed only on the other identification numbers printed on the Securities, and any such redemptio affected by any defect in or omission of such numbers. The Company will promptly notify the Trus change in the CUSIP number of any series of Securities.

Section 3.12 Wire Transfers. Notwithstanding any other provision to the contrary in th the Company may make any payment of moneys required to be deposited with the Trustee on account o or premium, if any, or interest on the Securities (whether pursuant to optional or mandatory rede interest payments or otherwise) by wire transfer of immediately available funds to an account des Trustee on or before the date and time such moneys are to be paid to the Holders of the Securitie with the terms hereof.

ARTICLE 4
SATISFACTION AND DISCHARGE

Section 4.01 Satisfaction and Discharge of Indenture. This Indenture shall cease to be effect (except as to any surviving rights of registration of transfer or exchange of Securities a of such Securities which may have been lost, stolen or mutilated as herein expressly provided for of Security for such series), when the Trustee, upon Company Request and at the expense of the Co execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either (a) all Securities theretofore authenticated and delivered (other than (which have been destroyed, lost or stolen and which have been replaced or paid as provided in Sec (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and by the Company and thereafter repaid to the Company or discharged from such trust, as provided in have been delivered to the Trustee for cancellation; or (b) all such Securities not theretofore d Trustee for cancellation (i) have become due and payable, or (ii) will become due and payable at Maturity within one year, or (iii) are to be called for redemption within one year under arrangem satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, an reasonable expense, of the Company, and the Company, in the case of (b) (i), (ii) or (iii) above, with the Trustee as trust funds in trust for the purpose an amount, in the currency or currencies unit or units in which the Securities of such series are payable, sufficient to pay and discharge indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for pr premium, if any, and interest to the date of such deposit (in the case of Securities which have b payable) or the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by t

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinio each stating that all conditions precedent provided for herein relating to the satisfaction and d Indenture have been complied with; and

(4) no event or condition shall exist on the date of such deposit that, pursuant to of Section 14.02 or 14.03, would prevent the Company from making payments of the principal of or

Securities of such series on the date of such deposit.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Trustee under Section 6.07, the obligations of the Company to any Authenticating Agent under Sect money shall have been deposited with the Trustee pursuant to subclause (b) of clause (1) of this obligations of the Trustee under Section 4.02 and the last paragraph of Section 10.05 shall survi

Section 4.02 Application of Trust Money. Subject to the provisions of the last paragra 10.05, all money deposited with the Trustee pursuant to Section 4.01 shall be held in trust and a accordance with the provisions of the Securities and this Indenture, to the payment, either direc any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determ Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment s been deposited with or received by the Trustee, but such money need not be segregated from other the extent required by law.

Section 4.03 Application to a Specific Series of Securities. The Company may elect to discharge its obligations with respect to a specific series of Securities under the Indenture by the terms of Article 4. If the Company makes such election, (a) the terms of Section 4.01 and 4. only to the specific series of Securities and the terms of the Indenture as it relates to such se Securities and (b) the other Securities issued hereunder and the Indenture as it relates to such shall remain in full force and effect.

ARTICLE 5
REMEDIES

Section 5.01 Events of Default. Except as otherwise specified as contemplated by Secti Securities of a series, EVENT OF DEFAULT, wherever used herein with respect to Securities of an any one of the following events (whatever the reason for such Event of Default and whether it sha or involuntary or to be effected by reason of Article 14 hereof or by operation of law or pursuan judgment, decree or order of any court or any order, rule or regulation of any administrative or body):

(1) the Company defaults in the payment of interest on any Security of that series interest becomes due and payable and the default continues for a period of 30 days; or

(2) the Company defaults in the payment of the principal of, or premium, if any, on that series when the same becomes due and payable at Maturity or on redemption or otherwise; or

(3) the Company fails to deposit any sinking fund payment, for five days after it b the terms of a Security of that series; or

(4) the Company fails to observe or perform in any material respect any of its othe agreements or warranties in the Securities of that series or this Indenture (other than a covenan warranty a default in whose performance or whose breach is elsewhere in this Section specifically which has expressly been included in this Indenture solely for the benefit of series of Securitie that series), and the failure to observe or perform continues for the period and after the notice the last paragraph of this Section; or

(5) an event of default, as defined in any mortgage, indenture, or instrument under be issued, or by which there may be secured or evidenced, any Indebtedness of the Company (includ of another series) (other than the Securities of such series) (whether such Indebtedness now exis hereafter be created or incurred) shall occur, which event of default (i) is caused by a failure of or premium, if any, or interest on such Indebtedness at final maturity after the expiration of period provided in such Indebtedness on the date of such event of default, and (ii) results in In becoming or being declared due and payable prior to the date on which it would otherwise become d and such default in payment is not cured or such acceleration shall not be rescinded or annulled after written notice to the Company from the Trustee or to the Company and to the Trustee from th least twenty-five percent in aggregate principal amount of the Outstanding Securities of that ser such event of default and requiring the Company to cure such default in payment or cause such acc rescinded or annulled and stating that such notice is a NOTICE OF DEFAULT hereunder; provided, shall not be an Event of Default if the principal amount of Indebtedness which is not paid at mat maturity of which is accelerated is equal to or less than $20,000,000; provided further that if,

declaration of acceleration of the maturity of the Securities of that series or the entry of judg
the Trustee in a suit pursuant to Section 5.03, such default shall be remedied or cured by the Co
by the holders of such Indebtedness, then the Event of Default hereunder by reason thereof shall
likewise to have been thereupon remedied, cured or waived without further action upon the part of
Trustee or any of the Holders of the Securities of that series; or

(6) the Company or any of its Significant Subsidiaries pursuant to or within the me
Bankruptcy Law (a) commences a voluntary case or proceeding under any Bankruptcy Law with respect
consents to the entry of a judgment, decree or order for relief against it in an involuntary case
under any Bankruptcy Law, (c) consents to or acquiesces in the institution of bankruptcy or insol
proceedings against it, (d) applies for, consents to or acquiesces in the appointment of or takin
a Custodian of it or for all or substantially all of its property, (e) makes a general assignment
of its creditors or (f) takes any corporate action in furtherance of or to facilitate, conditiona
otherwise, any of the foregoing; or

(7) (i) a court of competent jurisdiction enters a judgment, decree or order for re
involuntary case or proceeding under any Bankruptcy Law which shall (a) approve as properly filed
seeking reorganization, arrangement, adjustment or composition in respect of the Company or any o
Significant Subsidiaries, (b) appoint a Custodian of the Company or any of its Significant Subsid
all or substantially all of its property or (c) order the winding-up or liquidation of affairs of
any of its Significant Subsidiaries, and such judgment, decree or order shall remain unstayed and
period of 90 consecutive days; or (ii) any bankruptcy or insolvency petition or application is fi
bankruptcy or insolvency proceeding is commenced, against the Company or any of its Significant S
such petition, application or proceeding is not dismissed within 60 days; or (iii) a warrant of a
issued against any material portion of the property of the Company or any of its Significant Subs
is not released within 60 days of service; or

(8) any other Event of Default provided with respect to Securities of that series.

A Default under clause (4) above is not an Event of Default until the Trustee or the Hol
twenty-five percent in aggregate principal amount of the Outstanding Securities of that series no
of the Default and the Company does not cure the Default within 60 days after receipt of the noti
must specify the Default, demand that it be remedied and state that the notice is a NOTICE OF DE
Default under clause (4) above is cured within such 60-day period, it ceases to be a Default.

Section 5.02 Acceleration of Maturity; Rescission and Annulment. If an Event of Defaul
to Securities of any series (other than an Event of Default specified in clause (6) or (7) of Sec
occurs and is continuing, the Trustee by notice in writing to the Company, or the Holders of at l
percent in aggregate principal amount of the Outstanding Securities of that series by notice in w
Company and the Trustee, may declare the unpaid principal of and accrued interest to the date of
(or, if the Securities of that series are Original Issue Discount Securities, such portion of the
amount as may be specified in the terms of that series) on all the Outstanding Securities of that
due and payable immediately and, upon any such declaration, the Outstanding Securities of that se
specified principal amount) shall become and be immediately due and payable.

If an Event of Default specified in clause (6) or (7) of Section 5.01 occurs, all unpaid
and accrued interest on the Outstanding Securities of that series (or specified principal amount)
facto become and be immediately due and payable without any declaration or other act on the part
or any Holder of any Security of that series.

Upon payment of all such principal and interest, all of the Company's obligations under
of that series and (upon payment of the Securities of all series) this Indenture shall terminate,
obligations under Section 6.07.

At any time after a declaration of acceleration of Maturity with respect to Securities o
been made and before a judgment or decree for payment of the money due has been obtained by the T
hereinafter in this Article provided, the Holders of a majority in principal amount of the Outsta
of that series by notice to the Trustee may rescind an acceleration and its consequences if (i) a
Events of Default, other than the nonpayment of the principal of and interest on the Securities o
that has become due solely by such declaration of acceleration, have been cured or waived, (ii) t
payment of such interest is lawful, interest on overdue installments of interest and overdue prin
become due otherwise than by such declaration of acceleration have been paid, (iii) the rescissio

conflict with any judgment or decree of a court of competent jurisdiction and (iv) all payments d
Trustee and any predecessor Trustee under Section 6.07 have been made.

Section 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee. The Comp
that if:

(1) default is made in the payment of any interest on any Security of any series wh
becomes due and payable and such default continues for a period of 30 days, or

(2) default is made in the payment of the principal of (or premium, if any, on) any
series at the Maturity thereof, or

(3) default is made in the payment of any sinking or analogous obligation when the
by the terms of the Securities of any series, and any such default continues for any period of gr
with respect to the Securities of such series, the Company will, upon demand of the Trustee, pay
benefit of the Holders of such Securities, the whole amount then due and payable on such Securiti
(and premium, if any) and interest and, to the extent that payment of such interest shall be lega
interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate
prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be
cover the costs and expenses of collection, including the reasonable compensation, expenses, disb
advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its
trustee of an express trust, may institute a judicial proceeding for the collection of the sums s
unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same agains
any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable i
provided by law out of the property of the Company or any other obligor upon such Securities, whe

If an Event of Default with respect to Securities of any series occurs and is continuing
may in its discretion proceed to protect and enforce its rights and the rights of the Holders of
such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to
enforce any such rights, whether for the specific enforcement of any covenant or agreement in thi
in aid of the exercise of any power granted herein, or to secure any other proper remedy.

Section 5.04 Trustee May File Proofs of Claim. In case of the pendency of any receiver
insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or othe
proceeding relative to the Company or any other obligor upon the Securities or the property of th
such other obligor or their creditors, the Trustee (irrespective of whether the principal of the
then be due and payable as therein expressed or by declaration or otherwise and irrespective of w
Trustee shall have made any demand on the Company for the payment of overdue principal or interes
entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premi
interest owing and unpaid in respect of the Securities and to file such other papers or
be necessary or advisable in order to have the claims of the Trustee (including any clai
reasonable compensation, expenses, disbursements and advances of the Trustee, its agent
of the Holders allowed in such judicial proceedings, and

(ii) to collect and receive any moneys or other property payable or deliver
claims and to distribute the same; and any custodian, receiver, assignee, trustee, liqui
sequestrator or other similar official in any such judicial proceeding is hereby authori
Holder to make such payments to the Trustee and, in the event that the Trustee shall con
making of such payments directly to the Holders, to pay to the Trustee any amount due it
reasonable compensation, expenses, disbursements and advances of the Trustee, its agents
and any other amounts due the Trustee under Section

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consen
or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or compositi
Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of
Holder in any such proceeding.

Section 5.05 Trustee May Enforce Claims Without Possession of Securities. All rights o

claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee witho possession of any of the Securities or the production thereof in any proceeding relating thereto, proceeding instituted by the Trustee shall be brought in its own name as trustee of an express tr recovery of judgment shall, after provision for the payment of the reasonable compensation, expen disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Securities in respect of which such judgment has been recovered.

Section 5.06 Application of Money Collected. Any money collected by the Trustee pursua Article in respect of the Securities of any series shall be applied in the following order, at th fixed by the Trustee and, in case of the distribution of such money on account of principal, prem interest, upon presentation of the Securities in respect of which moneys have been collected and thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 6.07 applicable to

Second: To the payment of the amounts then due and unpaid for principal of, and premium interest on the Securities of such series in respect of which or for the benefit of which such mo collected, ratably, without preference or priority of any kind, according to the amounts due and Securities of such series for principal, and premium, if any, and interest, respectively; and

Third: To the Company

The Trustee may fix a record date and payment date for any payment to Holders pursuant t 5.06. At least ten (10) days before such record date, the Trustee shall mail to each Holder and notice that states the record date, the payment date and the amount to be paid.

Section 5.07 Limitation on Suits. No Holder of any Security of any series shall have a institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appoi receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder has previously given written notice to the Trustee of a continuing with respect to the Securities of that series;

(2) the Holders of at least twenty-five percent in principal amount of the Outstand of that series shall have made written request to the Trustee to institute proceedings in respect of Default in its own name as Trustee hereunder;

(3) such Holder or Holders shall have offered to the Trustee reasonable indemnity a costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trust 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of t

it being understood and intended that no one or more of Holders of Securities of any series shall in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or any other of such Holders or to enforce any right under this Indenture, except in the manner here for the equal and ratable benefit of all Holders of Securities of the affected series.

Section 5.08 Unconditional Right of Holders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture but subject to Article 14, the Holder of an have the right, which is absolute and unconditional, to receive payment of the principal of, prem (subject to Section 3.07) interest on such Security on the Stated Maturity or Maturities expresse Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the en such payment, and such rights shall not be impaired without the consent of such Holder.

Section 5.09 Restoration of Rights and Remedies. If the Trustee or any Holder has inst proceeding to enforce any right or remedy under this Indenture and such proceeding has been disco abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then

such case, subject to any determination in such proceeding, the Company, the Trustee and the Hold restored severally and respectively to their former positions hereunder and thereafter all rights the Trustee and the Holders shall continue as though no such proceeding has been instituted.

Section 5.10 Rights and Remedies Cumulative. Except as otherwise provided with respect replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph o no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended of any other right or remedy, and every right and remedy shall, to the extent permitted by law, b in addition to every other right and remedy given hereunder or now or hereafter existing at law o otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not concurrent assertion or employment of any other appropriate right or remedy.

Section 5.11 Delay or Omission Not Waiver. No delay or omission of the Trustee or of a Securities to exercise any right or remedy accruing upon any Event of Default shall impair any su remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every rig given by this Article or by law to the Trustee or to the Holders may be exercised from time to ti as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 5.12 Control by Holders. The Holders of a majority in principal amount of the Securities of any series shall have the right to direct the time, method and place of conducting for any remedy available to the Trustee, or exercising any trust or power conferred on the Truste to the Securities of such series, provided that:

(1) such direction shall not be in conflict with any rule of law or with this Inden

(2) the Trustee may take any other action deemed proper by the Trustee which is not with such direction; and

(3) subject to Section 6.01, the Trustee need not take any action which might invol in personal liability or be unduly prejudicial to the Holders not joining therein.

Section 5.13 Waiver of Past Defaults. The Holders of not less than a majority in princ the Outstanding Securities of any series may by written notice to the Trustee on behalf of the Ho Securities of such series waive any Default or Event of Default with respect to such series and i except a Default or Event of Default:

(1) in respect of the payment of the principal of or premium, if any, or interest o of such series, or

(2) in respect of a covenant or other provision hereof which under Article Nine can or amended without the consent of the Holder of each Outstanding Security of such series affected

Upon any such waiver, such Default or Event of Default shall cease to exist and shall be been cured, for every purpose of this Indenture and the Securities of such series; but no such wa extend to any subsequent or other Default or Event of Default or impair any right consequent ther

Section 5.14 Undertaking for Costs. All parties to this Indenture agree, and each Hold Security by his acceptance thereof shall be deemed to have agreed, that any court may in its disc in any suit for the enforcement of any right or remedy under this Indenture, or in any suit again for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in s undertaking to pay the costs of such suit, and that such court may in its discretion assess reaso including reasonable attorneys' fees, against any party litigant in such suit, having due regard and good faith of the claims or defenses made by such party litigant; but the provisions of this not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any su any Holder, or group of Holders, holding in the aggregate more than ten percent in principal amou Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the principal of or premium, if any, or interest on any Security on or after the Stated Maturi expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

ARTICLE 6
THE TRUSTEE

Section 6.01 Certain Duties and Responsibilities of the Trustee.

(a) Except during the continuance of an Event of Default, the Trustee's duties and under this Indenture shall be governed by Section 315(a) of the Trust Indenture Act.

(b) In case an Event of Default has occurred and is continuing, and is known to the Trustee shall exercise the rights and powers vested in it by this Indenture, and shall use the sa care and skill in their exercise, as a prudent man would exercise or use under the circumstances of his own affairs.

(c) None of the provisions of Section 315(d) of the Trust Indenture Act shall be ex Indenture.

(d) Every provision of this Indenture which pertains to the Trustee shall be subjec Section 6.01.

Section 6.02 Notice of Defaults. Within 90 days after the occurrence of any Default or Default with respect to the Securities of any series, the Trustee shall give to all Holders of Se series, as their names and addresses appear in the Security Register, notice of such Default or E known to the Trustee, unless such Default or Event of Default shall have been cured or waived; pr that, except in the case of a Default or Event of Default in the payment of the principal of or p or interest on any Security of such series, the Trustee shall be protected in withholding such no long as the board of directors, the executive committee or a trust committee of directors and/or Officers of the Trustee in good faith determine that the withholding of such notice is in the int Holders of Securities of such series. The Trustee shall not be charged with knowledge of any Defa Responsible Officer assigned to the Corporate Trust Office of the Trustee shall have actual knowl Default. The second sentence of this Section shall be in lieu of the proviso to Trust Indenture A (b) . Said proviso is hereby expressly excluded from this Indenture, as permitted by the Trust In

Section 6.03 Certain Rights of Trustee. Subject to the provisions of the Trust Indentu

(a) the Trustee may conclusively rely and shall be protected in acting or refrainin upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direct order, bond, debenture, note, other evidence of indebtedness or other paper or document believed genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently Company Request or Company Order and any resolution of the Board of Directors may be sufficiently Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desi matter be proved or established prior to taking, suffering or omitting any action hereunder, the other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, r Officers' Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or Counsel shall be full and complete authorization and protection in respect of any action taken, s omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or power by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, u Holders shall have offered to the Trustee reasonable security or indemnity against the costs, exp liabilities which might be incurred by it in compliance with such request or direction;

(f) prior to the occurrence of an Event of Default with respect to the Securities o after the curing or waiving of all such Events of Default which may have occurred, the Trustee sh to make any investigation into the facts or matters stated in any resolution, certificate, statem opinion, report, notice, request, direction, consent, order, approval or other paper or document, and records of the Company, unless requested in writing to do so by the Holders of a majority in of the Outstanding Securities of any series; provided, however, that if the payment within a reas the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of su is not, in the opinion of the Trustee, reasonably assured to the Trustee by the security afforded

terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expense as a condition to so proceeding; the reasonable expense of every such investigation shall be paid or, if paid by the Trustee, shall be repaid by the Company upon demand;

(g) the Trustee nay execute any of the trusts or powers hereunder or perform any du either directly or by or through agents or attorneys and the Trustee shall not be responsible for or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be required to expend or risk its own funds or otherwise financial liability in the performance of any of its duties hereunder, or in the exercise of its powers, if it shall have reasonable grounds for believing that repayment of such funds or adequat against such risk or liability is not reasonably assured to it.

(i) the rights, privileges, protections, immunities and benefits given to the Trust without limitation, its right to be indemnified, are extended to, and shall be enforceable by, th each of its capacities hereunder, and to each agent, custodian and other Person employed to act h

Section 6.04 Not Responsible for Recitals or Issuance of Securities. The recitals here Securities, except the Trustee's certificates of authentication, shall be taken as the statements and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correct Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Se that the Trustee represents that it is duly authorized to execute and deliver this Indenture, aut Securities and perform its obligations hereunder, and that the statements made by it or to be mad Statement of Eligibility and Qualification on Form T-l supplied to the Company are true and accur the Trustee nor any Authenticating Agent shall be accountable for the use or application by the C Securities or the proceeds thereof.

Section 6.05 May Hold Securities. The Trustee, any Authenticating Agent, any Paying Ag Security Registrar or any other agent of the Company, in its individual or any other capacity, ma owner or pledgee of Securities and, subject to Sections 6.08 and 6.13, may otherwise deal with th the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Securit such other agent.

Section 6.06 Money Held in Trust. Money held by the Trustee in trust hereunder (includ by the Trustee as Paying Agent) need not be segregated from other funds except to the extent requ The Trustee shall be under no liability for interest on any money received by it hereunder except agreed upon in writing with the Company.

Section 6.07 Compensation and Reimbursement. The Company agrees:

(l) to pay to the Trustee from time to time reasonable compensation as negotiated b Company and the Trustee for all services rendered by it hereunder (which compensation shall not b provision of law in regard to the compensation of a trustee of an express trust)

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon it all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance provision of this Indenture (including the reasonable compensation and the expenses and disbursem agents and counsel), except any such expense, disbursement or advance as nay be attributable to i bad faith; and

(3) to indemnify the Trustee, its officers, employees, directors and shareholders f it harmless against, any loss, liability, damage, claim or expense, including taxes (other than t or determined or measured by the income of the Trustee), incurred without negligence or bad faith arising out of or in connection with the acceptance or administration of the trust or trusts here the costs and expenses of defending itself against any claim or liability in connection with the performance of any of its powers or duties hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Defa Section 5.01(6) or Section 5.01(7), the expenses (including the reasonable charges and expenses o and the compensation for the services are intended to constitute expenses of administration under Bankruptcy Law.

The provisions of this Section 6.07 shall survive this Indenture and the resignation or Trustee.

Section 6.08 Disqualification; Conflicting Interests. The Trustee shall be disqualifie such disqualification is required by Section 310(b) of the Trust Indenture Act. Nothing shall pr Trustee from filing with the Commission the application referred to in the second to last paragra 310(b) of the Trust Indenture Act.

Section 6.09 Corporate Trustee Required; Eligibility. There shall at all times be a Tr which shall be eligible to act as Trustee under Section 310(a)(1) of the Trust Indenture Act havi capital and surplus (together with its parent) of at least $50,000,000 and subject to supervision by federal or State authority. If such corporation publishes reports of condition at least annua law or to the requirements of said supervising or examining authority, then for the purposes of t combined capital and surplus of such corporation shall be deemed to be its combined capital and s forth in its most recent report of condition so published. Neither the Company nor any Person di indirectly controlling, controlled by, or under common control with the Company may serve as Trus time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it immediately in the manner and with the effect hereinafter specified in this Article.

Section 6.10 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trus this Article shall become effective until the acceptance of appointment by the successor Trustee with the applicable requirements of Section 6.11.

(b) The Trustee may resign at any time with respect to the Securities of one or mor giving written notice thereof to the Company. If the instrument of acceptance by a successor Tru Section 6.11 shall not have been delivered to the Trustee within 30 days after the giving of such resignation, the resigning Trustee may petition any court of competent jurisdiction for the appoi successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any se the Holders of a majority in principal amount of the Outstanding Securities of such series, deliv Trustee and to the Company.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 310(b) of the Trust Inde written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months; or

(ii) the Trustee shall cease to be eligible under Section 6.09 and shall fa after written request therefor by the Company or by any such Holder of a Security who ha fide Holder of a Security for at least six months; or

(iii) the Trustee shall become incapable of acting or shall be adjudged a ba insolvent or a receiver of the Trustee or of its property shall be appointed or any publ take charge or control of the Trustee or of its property or affairs for the purpose of r conservation or liquidation;

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect Securities, or (ii) subject to Section 315 (e) of the Trust Indenture Act, any Holder who has bee Holder of a Security for at least six months may, on behalf of himself and all others similarly s petition any court of competent jurisdiction for the removal of the Trustee with respect to all S the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a occur in the office of Trustee for any cause, with respect to the Securities of one or more serie by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the that or those series (it being understood that any such successor Trustee may be appointed with r Securities of one or more or all of such series and that at any time there shall be only one Trus to the Securities of any particular series) and shall comply with the applicable requirements of

If, within one year after such resignation, removal or incapability, or the occurrence of such va
successor Trustee with respect to the Securities of any series shall be appointed by Act of the H
majority in principal amount of the Outstanding Securities of such series delivered to the Compan
retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such
accordance with the applicable requirements of Section 6.11, become the successor Trustee with re
Securities of such series and to that extent supersede the successor Trustee appointed by the Com
respect to such Securities. If no successor Trustee with respect to the Securities of any series
so appointed by the Company or the Holders and accepted appointment in the manner required by Sec
Holder who has been a bona fide Holder of a Security of such series for at least six months may,
himself and all others similarly situated, petition any court of competent jurisdiction for the a
successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trust
to the Securities of any series and each appointment of a successor Trustee with respect to the S
series by mailing written notice of such event by first-class mail, postage prepaid, to all Holde
of such series as their names and addresses appear in the Security Register. Each notice shall i
of the successor Trustee with respect to the Securities of such series and the address of its Cor
Office.

Section 6.11 Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all
every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company a
retiring Trustee an instrument accepting such appointment, and thereupon the resignation or remov
retiring Trustee shall become effective and such successor Trustee, without any further act, deed
shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but,
of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges
deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of
Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and mo
retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the
some (but not all) series, the Company, the retiring Trustee and each successor Trustee with resp
Securities of such series shall execute and deliver an indenture supplemental hereto wherein each
Trustee shall accept such appointment and which (1) shall contain such provisions as shall be nec
desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powe
duties of the retiring Trustee with respect to the Securities of that or those series to which th
such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all S
contain such provisions as shall be deemed necessary or desirable to confirm that all the rights,
and duties of the retiring Trustee with respect to the Securities of that or those series as to w
retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) sha
change any of the provisions of this Indenture as shall be necessary to provide for or facilitate
administration of the trusts hereunder by more than one Trustee, it being understood that nothing
such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that
Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trus
administered by any other such Trustee; and upon the execution and delivery of such supplemental
resignation or removal of the retiring Trustee shall become effective to the extent provided ther
such successor Trustee, without any further act, deed or conveyance, shall become vested with all
powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those
the appointment of such successor Trustee relates; but, on request of the Company or any successo
retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property a
such retiring Trustee hereunder with respect to the Securities of that or those series to which t
of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and a
for more fully and certainly vesting in and confirming to such successor Trustee all such rights,
trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such ac
successor Trustee shall he qualified and eligible under the Trust Indenture Act.

Section 6.12 Merger, Conversion, Consolidation or Succession to Business. Any corporat

the Trustee may be merged or converted or with which it may be consolidated, or any corporation r any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation all or substantially all the corporate trust business of the Trustee, shall be the successor of t hereunder, provided such corporation shall be otherwise qualified and eligible under this Article execution or filing of any paper or any further act on the part of any of the parties hereto. In Securities shall have been authenticated, but not delivered, by the Trustee then in office, any s merger, conversion, consolidation or otherwise as permitted hereunder) to such authenticating Tru such authentication and deliver the Securities so authenticated with the same effect as if such s had itself authenticated such Securities.

Section 6.13 Preferential Collection of Claims Against Company. The Trustee shall comp 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) o Indenture Act. A Trustee who has resigned or been removed shall be subject to Section 311(a) of Indenture Act to the extent indicated therein.

Section 6.14 Appointment of Authenticating Agent. At any time when any of the Securiti Outstanding the Trustee may appoint an Authenticating Agent or Agents with respect to one or more Securities which shall be authorized to act on behalf of, and subject to the direction of, the Tr authenticate Securities of such series issued upon exchange, registration of transfer or partial thereof or pursuant to Section 3.06, and Securities so authenticated shall be entitled to the ben Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee h Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee's certificate of authentication, such reference shall be deemed to include authentica delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable and shall at all times be a corporation organized and doing business under the laws of the United America, any State thereof or the District of Columbia, authorized under such laws to act as Auth Agent, having a combined capital and surplus (together with its parent) of not less than $100,000 to supervision or examination by federal or State authority. If such Authenticating Agent publis condition at least annually, pursuant to law or to the requirements of said supervising or examin then for the purposes of this Section, the combined capital and surplus of such Authenticating Ag deemed to he its combined capital and surplus as set forth in its most recent report of condition If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisio Section, such Authenticating Agent shall resign immediately in the manner and with the effect spe Section.

Any corporation into which an Authenticating Agent may be merged or converted or with wh consolidated, or any corporation resulting from any merger, conversion or consolidation to which Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or c business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such shall be otherwise eligible under this Section, without the execution or filing of any paper or a on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the T the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by givi notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligi accordance with the provisions of this Section, the Trustee may appoint a successor Authenticatin shall be acceptable to the Company and shall mail written notice of such appointment by first-cla prepaid, to all Holders of Securities of the series with respect to which such Authenticating Age as their names and addresses appear in the Security Register. Any successor Authenticating Agent of its appointment hereunder shall become vested with all the rights, powers and duties of its pr hereunder, with like effect as if originally named as an Authenticating Agent. No successor Auth shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable comp negotiated between the Company and such Authenticating Agent for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, t such series may have endorsed thereon, in addition to the Trustee's certificate of authentication certificate of authentication in the following form:

Form of Authenticating Agent's
Certificate of Authentication

Dated: _____

This is one of the Securities of the series designated therein referred to in the within Indenture.

THE BANK OF NEW YORK

_____
..... As Trustee

By_____
.....As Authenticating Agent

By_____
.....Authorized Signatory

Section 6.15 Compliance with Tax Laws. The Trustee hereby agrees to comply with all U. income tax information reporting and withholding requirements applicable to it with respect to pa premium (if any) and interest on the Securities of any series, whether acting as Trustee, Securit Paying Agent or otherwise with respect to the Securities of any series.

ARTICLE 7
HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

Section 7.01 Company to Furnish Trustee Names and Addresses of Holders. The Company wi cause to be furnished to the Trustee:

(a) semi-annually, not later than 15 days after the Regular Record Date for each se Securities, a list, in such form as the Trustee may reasonably require, of the names and addresse of Securities as of such Regular Record Date (unless the Trustee has such information) or if ther Record Date for interest for such series of Securities, semi-annually, upon such dates as are set Board Resolution or indenture supplemental hereto authorizing such series, and

(b) at such other times as the Trustee may request in writing, within 30 days after the Company of any such request, a list of similar form and content as of a date not more than 15 the time such list is furnished; provided, however, that so long as the Trustee is the Security R such list shall be required to be furnished.

Section 7.02 Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, addresses of Holders contained in the most recent list furnished to the Trustee as provided in Se the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so fu

(b) If three or more Holders (herein referred to as APPLICANTS) apply in writing and furnish to the Trustee reasonable proof that each such applicant has owned a Security for a p least six months preceding the date of such application, and such application states that the app to communicate with other Holders with respect to their rights under this Indenture or under the is accompanied by a copy of the form of proxy or other communication which such applicants propos then the Trustee shall, within five Business Days after the receipt of such application, at its e

(i) afford such applicants access to the information preserved at the time in accordance with Section 7.02(a); or

(ii) inform such applicants as to the approximate number of Holders whose n addresses appear in the information preserved at the time by the Trustee in accordance w 7.02(a), and as to the approximate cost of mailing to such Holders the form of proxy or communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the upon the written request of such applicants, mail to each Holder whose name and address appears i information preserved at the time by the Trustee in accordance with Section 7.02(a) a copy of the or other communication which is specified in such request, with reasonable promptness after a ten Trustee of the material to be mailed and of payment, or provision for the payment, of the reasona mailing, unless within five days after such tender the Trustee shall mail to such applicants and Commission, together with a copy of the material to be mailed, a written statement to the effect opinion of the Trustee, such mailing would be contrary to the best interests of the Holders or wo violation of applicable law. Such written statement shall specify the basis of such opinion. If after opportunity for a hearing upon the objections specified in the written statement so filed, order refusing to sustain any of such objections or if, after the entry of an order sustaining on such objections, the Commission shall find, after notice and opportunity for hearing, that all ob sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of s all such Holders with reasonable promptness after the entry of such order and the renewal of such otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting t

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held ac reason of the disclosure of any such information as to the names and addresses of the Holders in Section 7.02(b), regardless of the source from which such information was derived, and that the T be held accountable by reason of mailing any material pursuant to a request made under Section 7.

Section 7.03 Reports by Trustee.

(a) Within 60 days after _____ of each year commencing with the year 200 , the Tr transmit by mail to all Holders of Securities as provided in Section 313(c) of the Trust Indentur report dated as of _____ , if required by and in compliance with Section 313(a) of the Trust Inde Trustee shall also comply with Section 313(b) of the Trust Indenture Act.

(b) A copy of each such report shall, at the time of such transmission to Holders, Trustee with each stock exchange or inter-dealer quotation system upon which any Securities are l Commission and with the Company. The Company will notify the Trustee when any Securities are lis exchange or inter-dealer quotation system.

Section 7.04 Reports by Company. The Company shall:

(1) file with the Trustee, within 15 days after the Company is required to file the Commission, copies of the annual reports and of the information, documents and other reports (or portions of any of the foregoing as the Commission may from time to time by rules and regulations which the Company may be required to file with the Commission pursuant to Section 13 or Section 1 Exchange Act; or, if the Company is not required to file information, documents or reports pursua said Sections, then it shall file with the Trustee and the Commission, in accordance with rules a prescribed from time to time by the Commission, such of the supplementary and periodic informatio reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security registered on a national securities exchange as may be prescribed from time to time in such rules

(2) file with the Trustee and the Commission, in accordance with rules and regulati from time to time by the Commission, such additional information, documents and reports with resp compliance by the Company with the conditions and covenants of this Indenture as may be required time by such rules and regulations;

(3) transmit or cause to be transmitted by mail to all Holders, as their names and in the Security Register, (a) as promptly as reasonably practicable following the furnishing of t stockholders, the Company's annual report to stockholders, containing certified financial stateme other financial reports which the Company generally furnishes to its stockholders, and (b) within the filing thereof with the Trustee, such summaries of any other information, documents and repor be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by regulations prescribed from time to time by the Commission; and

(4) furnish to the Trustee, on _____ of each year, a brief certificate from t executive officer, principal financial officer or principal accounting officer as to his or her k

Company's compliance with all conditions and covenants under this Indenture. For purposes of thi such compliance shall be determined without regard to any period of grace or requirement of notic this Indenture. Such certificate need not comply with Section 1.02.

ARTICLE 8
CONSOLIDATION, MERGER, LEASE, SALE OR TRANSFER

Section 8.01 When Company May Merge, Etc. Except as may be otherwise provided as conte Section 3.01 relating to Securities of a series, the Company shall not consolidate with, or merge any other Person (whether or not the Company shall he the surviving corporation or entity), or co or lease all or substantially all of its properties and assets as an entirety or substantially as any Person or group of affiliated Persons, in one transaction or a series of related transactions

(1) either the Company shall be the continuing Person or the Person (if other than formed by such consolidation or with which or into which the Company is merged or the Person (or affiliated Persons) to which all or substantially all the properties and assets of the Company as substantially as an entirety are conveyed, transferred or leased shall be a corporation or other affiliated corporations or entities) organized and existing under the laws of the United States o State thereof or the District of Columbia and shall expressly assume, by an indenture supplementa executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the ob Company under the Securities and this Indenture; and

(2) immediately after giving effect to such transaction or series of related transa of Default, and no Default, shall have occurred and be continuing.

Notwithstanding the foregoing, the Company may (a) consolidate with, or merge with or in incorporated for the purpose incorporating the Company in another jurisdiction and/or (b) convey, lease all or substantially all of its properties and assets as an entirety or substantially as an Subsidiary or Subsidiaries, in one transaction or a series of related transactions.

Section 8.02 Opinion of Counsel. The Company shall deliver to the Trustee prior to the transaction(s) covered by Section 8.01 an Officers' Certificate and an Opinion of Counsel stating transaction(s) and such supplemental indenture comply with this Indenture and that all conditions the consummation of the transaction(s) under this Indenture have been met.

Section 8.03 Successor Corporation Substituted. Upon any consolidation by the Company by the Company into any other corporation or other entity or any conveyance, transfer or lease al substantially all of the property and assets of the Company in accordance with Section 8.01, the corporation or other entity formed by such consolidation or into which the Company is merged or t corporation or entity or affiliated group of corporations or entities to which such lease, sale, transfer is made shall succeed to, and he substituted for, and may exercise every right and power under this Indenture with the same effect as if such successor corporation or corporations or ent had been named as the Company herein, and thereafter, except in the case of a lease, the predeces or corporations or entity or entities shall be relieved of all obligations and covenants under th the Securities and in the event of such conveyance or transfer, except in the case of a lease, an predecessor corporation may he dissolved and liquidated.

ARTICLE 9
SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Without Consent of Holders. Without notice to or any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and time, may enter into one or more indentures supplemental hereto, in form reasonably satisfactory for any of the following purposes:

(1) to evidence the succession of another corporation to the Company and the assump successor of the covenants of the Company herein and in the Securities; or

(2) to add to the covenants of the Company for the benefit of the Holders of all or Securities (and if such covenants are to he for the benefit of less than all series of Securities such covenants are expressly being included solely for the benefit of such series) or to surrende power herein conferred upon the Company; or

(3) to add any additional Events of Default with respect to all or any series of Se

(4) to add or change any of the provisions of this Indenture to such extent as shal to permit or facilitate the issuance of Securities in hearer form, registrable or not registrable principal, and with or without interest coupons; or

(5) to change or eliminate any of the provisions of this Indenture, provided that a or elimination shall become effective only when there is no Security Outstanding of any series cr the execution of such supplemental indenture which is entitled to the benefit of such provision;

(6) to secure the Securities; or

(7) to establish the form or terms of Securities of any series as permitted by Sect 3.01; or

(8) to evidence and provide for the acceptance of appointment hereunder by a succes respect to the Securities of one or more series and to add to or change any of the provisions of as shall be necessary to provide for or facilitate the administration of the trusts hereunder by Trustee, pursuant to the requirements of Section 6.11(b); or

(9) to cure any ambiguity, defect or inconsistency or to correct or supplement any which may be inconsistent with any other provision herein; or

(10) to make any change that does not materially adversely affect the interests of t Securities of any series then Outstanding; or

(11) to add Guarantees with respect to any or all of the Securities; or

(12) to provide for uncertificated Securities in addition to or in place of certific (provided that the uncertificated Securities are issued in registered form for purposes of Sectio Internal Revenue Code or in a manner such that the uncertificated Securities are described in Sec (B) of such Code)

Upon request of the Company, accompanied by a Board Resolution authorizing the execution supplemental indenture, and upon receipt by the Trustee of the documents described in (and subjec sentence of) Section 9.03, the Trustee shall join with the Company in the execution of any supple authorized or permitted by the terms of this Indenture.

Section 9.02 Supplemental Indentures with Consent of Holders. With the written consent of a majority in aggregate principal amount of the Outstanding Securities of each series affected supplemental indenture (with the Securities of each series voting as a class), by Act of said Hol to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trust subject to Section 9.03, enter into an indenture or indentures supplemental hereto for the purpos provisions to or changing in any manner or eliminating any of the provisions of this Indenture or any manner the rights of the Holders of Securities of such series under this Indenture; provided, no such supplemental indenture shall, without the consent of the Holder of each Outstanding Secur thereby,

(1) change the Stated Maturity of the principal of, or premium, if any, or any inst principal of or premium, if any, or interest on, any Security, or reduce the principal amount the of interest thereon or any premium payable upon the redemption, repurchase or repayment thereof, manner in which the amount of any principal thereof or premium, if any, or interest thereon is de reduce the amount of the principal of any Original Issue Discount Security that would be due and declaration of acceleration of the Maturity thereof pursuant to Section 5.02, or change any Place where, or the coin or currency or currency unit in which, any Security or any premium or interest payable, or impair the right to institute suit for the enforcement of any such payment on or afte Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(2) reduce the percentage in principal amount of the Outstanding Securities of any consent of whose Holders is required for any such supplemental indenture, or the consent of whose required for any waiver of compliance with certain provisions of this Indenture or Defaults or Ev

hereunder and their consequences provided for in this Indenture; or

(3) modify any of the provisions of this Section, Section 5.13 or Section 10.06, ex
any such percentage or to provide that certain other provisions of this Indenture cannot be modif
without the consent of the Holder of each Outstanding Security affected thereby; provided, howeve
clause shall not be deemed to require the consent of any Holder with respect to changes in the re
Trustee and concomitant changes in this Section and Section 10.06, or the deletion of this provi
accordance with the requirements of Sections 6.11(b) and 9.01(8).

A supplemental indenture which changes or eliminates any covenant or other provisions of
which has expressly been included solely for the benefit of one or more particular series of Secu
modifies the rights of the Holders of Securities of such series with respect to such covenant or
shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any

It shall not be necessary for any Act of Holders under this Section to approve the parti
any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the sub

Section 9.03 Execution of Supplemental Indentures. The Trustee shall sign any suppleme
authorized pursuant to this Article, subject to the last sentence of this Section 9.03. In execu
accepting the additional trusts created by, any supplemental indenture permitted by this Article
modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to r
(subject to Section 6.01) shall be fully protected in relying upon, an Officers' Certificate and
Counsel stating that the execution of such supplemental indenture is authorized or permitted by t
The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which
Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 9.04 Effect of Supplemental Indentures. Upon the execution of any supplemental
this Article, this Indenture shall be modified in accordance therewith, and such supplemental ind
form a part of this Indenture for all purposes; and every Holder of Securities theretofore or the
authenticated and delivered hereunder shall be bound thereby.

Section 9.05 Conformity with Trust Indenture Act. Every supplemental indenture execute
this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 9.06 Reference in Securities to Supplemental Indentures. Securities of any ser
authenticated and delivered after the execution of any supplemental indenture pursuant to this Ar
shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matte
in such supplemental indenture. If the Company shall so determine, new Securities of any series
to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may
executed by the Company and authenticated and delivered by the Trustee in exchange for Outstandin
such series.

Section 9.07 Subordination Unimpaired. This Indenture may not be amended to alter the
any of the Outstanding Securities without the written consent of each holder of Senior Debt then
would be adversely affected thereby.

ARTICLE 10
COVENANTS

Section 10.01 Payments of Securities. With respect to each series of Securities, the C
and punctually pay the principal of (and premium, if any) and interest on such Securities in acco
their terms and this Indenture, and will duly comply with all the other terms, agreements and con
contained in, or made in the Indenture for the benefit of, the Securities of such series.

Section 10.02 Maintenance of Office or Agency. The Company will maintain an office or
Place of Payment where Securities may be surrendered for registration of transfer or exchange or
for payment, where notices and demands to or upon the Company in respect of the Securities and th
be served. The Company will give prompt written notice to the Trustee of the location, and any c
location, of such office or agency. If at any time the Company shall fail to maintain any such r
or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surr
and demands may be made or served at the address of the Trustee as set forth in Section 1.05 here

The Company may also from time to time designate one or more other offices or agencies w
Securities may be presented or surrendered for any or all such purposes and may from time to time
designations. The Company will give prompt written notice to the Trustee of any such designation
and of any change in the location of any such other office or agency.

Section 10.03 Compliance Certificates.

(a) The Company shall deliver to the Trustee within 90 days after the end of each f
the Company, an Officers' Certificate stating whether or not the signer knows of any Default or E
by the Company that occurred prior to the end of the fiscal year and is then continuing. If the
of such a Default or Event of Default, the certificate shall describe each such Default or Event
its status and the specific section or sections of this Indenture in connection with which such D
of Default has occurred. The Company shall also promptly notify the Trustee in writing should th
fiscal year be changed so that the end thereof is on any date other than the date on which the Co
year currently ends. The certificate need not comply with Section 1.02 hereof, but shall comply
314(a)(4) of the Trust Indenture Act.

(b) The Company shall deliver to the Trustee, within 10 days after the occurrence t
of any acceleration which with the giving of notice and the lapse of time would be an Event of De
meaning of Section 5.01(5) hereof.

(c) The Company shall deliver to the Trustee forthwith upon becoming aware of a Def
Default (but in no event later than 10 days after the occurrence of each Default or Event of Defa
continuing), an Officers' Certificate setting forth the details of such Default or Event of Defau
action that the Company proposes to take with respect thereto and the specific section or section
Indenture in connection with which such Default or Event of Default has occurred.

Section 10.04 Waiver of Stay, Extension or Usury Laws. The Company covenants (to the e
may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoev
will actively resist any and all efforts to be compelled to take the benefit or advantage of, any
extension law or any usury law or other law, which would prohibit or forgive the Company from pay
portion of the principal of and/or interest on the Securities as contemplated herein, wherever en
any time hereafter in force, or which may affect the covenants or the performance of this Indentu
extent that it may lawfully do so) the Company hereby expressly waives all benefit or advantage o
and covenants that it will not hinder, delay or impede the execution of any power herein granted
but will suffer and permit the execution of every such power as though no such law had been enact

Section 10.05 Money for Securities Payments to Be Held in Trust. If the Company shall
as its own Paying Agent with respect to any series of Securities, it will, on or before each due
principal of (and premium, if any) or interest on any of the Securities of that series, segregate
trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal (and
or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed o
provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities,
prior to each due date of the principal of (and premium, if any) or interest on any Securities of
deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or intere
due, such sum to be held in trust for the benefit of the Persons entitled to such principal, prem
and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its
failure to so act.

The Company will cause each Paying Agent for any series of Securities (other than the Tr
execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the
to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of (and premium, if a
on Securities of that series in trust for the benefit of the Persons entitled thereto until such
paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upo
of that series) in the making of any payment of principal (and premium, if any) or interest on th
that series; and

(3) at any time during the continuance of any such default, upon the written reques Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to t sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon as those upon which such sums were held by the Company or such Paying Agent; and, upon such payme Agent to the Trustee, such Paying Agent shall be released from all further liability with respect

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, i payment of the principal of (and premium, if any) or interest on any Security of any series and r unclaimed for one year after such principal (and premium, if any) or interest has become due and subject to any applicable escheat laws, be paid to the Company on Company Request, or (if then he Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, a general creditor, look only to the Company for payment thereof, and all liability of the Trustee Agent with respect to such trust money, and all liability of the Company as trustee thereof, shal cease; provided, however, that the Trustee of such Paying Agent, before being required to make an repayment, may at the expense of the Company cause to be published once, in a newspaper published language, customarily published on each Business Day and of general circulation in New York, New that such money remains unclaimed and that, after a date specified therein, which shall not be le from the date of such publication, any unclaimed balance of such money then remaining will he rep Company.

Section 10.06 Waiver of Certain Covenants. The Company may omit in any particular inst with any term, provision or condition set forth in Article 8, Article 10 (other than Sections __ covenant specified as contemplated under Section 3.01 with respect to the Securities of any serie time for such compliance the Holders of not less than a majority in principal amount of the Outst Securities of such series shall, by Act of such Holders, either waive such compliance in such ins generally waive compliance with such term, provision or condition, but no such waiver shall exten such term, provision or condition except to the extent so expressly waived, and, until such waive effective, the obligations of the Company and the duties of the Trustee in respect of any such te condition shall remain in full force and effect.

ARTICLE 11
REDEMPTION OF SECURITIES

Section 11.01 Applicability of Article. Securities of any series which are redeemable Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise speci contemplated by Section 3.01 for Securities of any series) in accordance with this Article.

Section 11.02 Election to Redeem; Notice to Trustee. The election of the Company to re Securities shall be evidenced by a Board Resolution. In case of any redemption at the election o less than all the Securities of any series, the Company shall, at least 30 and not more than 60 d Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Truste Trustee of such Redemption Date and of the principal amount of Securities of such series to be re case of any redemption of Securities prior to the expiration of any restriction on such redemptio the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Truste Officers' Certificate evidencing compliance with such restriction.

Section 11.03 Selection by Trustee of Securities to Be Redeemed. If less than all the any series are to be redeemed, the particular Securities to be redeemed shall be selected prior t the applicable notice of redemption to Holders by the Trustee, from the Outstanding Securities of previously called for redemption, substantially pro rata, by lot or by any other method as the Tr fair and appropriate and that complies with the requirements of the principal national securities any, on which such Securities are listed, and which may provide for the selection for redemption (equal to the minimum authorized denomination for Securities of that series or any integral multi the principal amount of Securities of such series of a denomination larger than the minimum autho denomination for Securities of that series; provided that in case the Securities of such series h terms and maturities, the Securities to be redeemed shall be selected by the Company and the Comp notice thereof to the Trustee.

The Trustee shall promptly notify the Company in writing of the Securities selected for in the case of any Securities selected for partial redemption, the principal amount thereof to be

For all purposes of this Indenture, unless the context otherwise requires, all provision the redemption of the Securities shall relate, in the case of any Securities redeemed or to be re part, to the portion of the principal amount of such Securities which has been or is to be redeem

Section 11.04 Notice of Redemption. Notice of redemption shall be given by first-class prepaid, mailed not less than 30 nor more than 45 days prior to the Redemption Date, to each Hold to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all the Outstanding Securities of any series are to be redeemed, t identification (and, in the case of partial redemption, the principal amounts) of the particular redeemed;

(4) that on the Redemption Date the Redemption Price will become due and payable up Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and aft

(5) the place or places where such Securities are to be surrendered for payment of Price;

(6) that the redemption is for a sinking fund, if such is the case; and

(7) the CUSIP number, if any, of the Securities to be redeemed.

Notice of redemption of Securities to be redeemed at the election of the Company shall b Company or, at the Company's request, by the Trustee in the name and at the expense of the Compan

Section 11.05 Deposit of Redemption Price. On or prior to any Redemption Date, the Com deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying A and hold in trust as provided in Section 10.05) an amount of money sufficient to pay the Redempti (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Se are to be redeemed on that date.

Unless any Security by its terms prohibits any sinking fund payment obligation from bein delivering and crediting Securities (including Securities redeemed otherwise than through a sinki Company may deliver such Securities to the Trustee for crediting against such payment obligation with the terms of such Securities and this Indenture.

Section 11.06 Securities Payable on Redemption Date. Notice of redemption having been aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable Redemption Price therein specified, and from and after such date (unless the Company shall defaul of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon any such Security for redemption in accordance with said notice, such Security shall be paid by t the Redemption Price, together with accrued interest to the Redemption Date; provided, however, t of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the H Securities, or one or more Predecessor Securities, registered as such at the close of business on Regular or Special Record Dates according to their terms and the provisions of Section 3.07.

If any Security called for redemption shall not be so paid upon surrender thereof for re principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the therefor in the Security.

Section 11.07 Securities Redeemed in Part. Any Security which is to be redeemed only i surrendered at an office or agency of the Company at a Place of Payment therefor (with, if the Co Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory

and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security with charge, a new Security or Securities of the same series and Stated Maturity, of any authorized de requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeem the principal of the Security so surrendered.

ARTICLE 12
SINKING FUNDS

Section 12.01 Applicability of Article. The provisions of this Article shall be applic sinking fund for the retirement of Securities of a series, except as otherwise specified as conte Section 3.01 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities o herein referred to as a MANDATORY SINKING FUND PAYMENT, and any payment in excess of such minim provided for by the terms of Securities of any series is herein referred to as an OPTIONAL SINKI PAYMENT. If provided for by the terms of Securities of any series, the cash amount of any sinki may be subject to reduction as provided in Section 12.02. Each sinking fund payment shall be app redemption of Securities of any series as provided for by the terms of Securities of such series.

Section 12.02 Satisfaction of Sinking Fund Payments with Securities. The Company (1) m Securities of a series (other than any Securities previously called for redemption) and (2) may a Securities of a series which have been redeemed either at the election of the Company pursuant to such Securities or through the application of permitted optional sinking fund payments pursuant t such Securities, in each case in satisfaction of all or any part of any sinking fund payment with Securities of such series required to be made pursuant to the terms of such Securities as provide terms of such series; provided that such Securities have not been previously so credited. Such S he received and credited for such purpose by the Trustee at the Redemption Price specified in suc redemption through operation of the sinking fund and the amount of such sinking fund payment shal accordingly.

Section 12.03 Redemption of Securities for Sinking Fund. Not less than 45 days (or suc reasonably acceptable to the Trustee) prior to each sinking fund payment date for any series of S Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next en fund payment for that series pursuant to the terms of that series, the portion thereof, if any, w satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by deliver crediting Securities of that series pursuant to Section 12.02 and will also deliver to the Truste to be so delivered (which have not been previously delivered). Not less than 30 days before each fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund p the manner specified in Section 11.03 and cause notice of the redemption thereof to he given in t at the expense of the Company in the manner provided in Section 11.04. Such notice having been d redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1

ARTICLE 13
DEFEASANCE AND COVENANT DEFEASANCE

Section 13.01 Applicability of Article; Company's Option to Effect Defeasance or Covena Unless as otherwise specified as contemplated by Section 3.01 for Securities of such series, prov for the inapplicability of, in whole or in part, or any modification to, either or both of (a) de Securities of a series under Section 13.02 or (b) covenant defeasance of the Securities of a seri 13.03, then the provisions of such Section or Sections, as the case may be, together with the oth this Article, shall be applicable to the Securities of such series and the Company may at its opt Resolution, at any time, with respect to the Securities of such series elect to have either Secti inapplicable) or Section 13.03 (unless inapplicable) be applied to the Outstanding Securities of compliance with the applicable conditions set forth below in this Article.

Section 13.02 Defeasance and Discharge. Upon the Company's exercise of the option prov 13.01 to defease the Outstanding Securities of a particular series, the Company shall be discharg obligations with respect to the Outstanding Securities of such series on the date the applicable forth in Section 13.04 are satisfied (hereinafter, DEFEASANCE) Defeasance shall mean that the C deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securit series and to have satisfied all its other obligations under such Securities and this Indenture i

Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper in acknowledging the same); provided, however, that the following rights, obligations, powers, trust immunities shall survive until otherwise terminated or discharged hereunder: (A) the rights of H Outstanding Securities of such series to receive, solely from the trust fund provided for in Sect payments in respect of the principal of (and premium, if any) and interest on such Securities whe are due, (B) the Company's obligations with respect to such Securities under Sections 3.04, 3.05, 10.05, (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (D) thi Subject to compliance with this Article, the Company may exercise its option with respect to defe this Section 13.02 notwithstanding the prior exercise of its option with respect to covenant defe Section 13.03 in regard to the Securities of such series.

Section 13.03 Covenant Defeasance. Upon the Company's exercise of the option provided to obtain a covenant defeasance with respect to the Outstanding Securities of a particular series shall be released from its obligations under this Indenture and any applicable supplemental inden obligations under Sections 3.04, 3.05, 3.06, 5.06, 5.09, 6.10, 10.01, 10.02, 10.03, 10.04 and 10. to the Outstanding Securities of such series on and after the date the applicable conditions set 13.04 are satisfied (hereinafter, COVENANT DEFEASANCE) Covenant defeasance shall mean that, wit Outstanding Securities of such series, the Company may omit to comply with and shall have no liab of any term, condition or limitation set forth in this Indenture and any applicable supplemental (except its obligations under Sections 3.04, 3.05, 3.06, 5.06, 5.09, 6.10, 10.01, 10.02, 10.03, 1 whether directly or indirectly by reason of any reference elsewhere herein or by reason of any re other provision herein or in any other document, and such omission to comply shall not constitute Default under Section 5.01(4) or any such supplemental indenture with respect to Outstanding Secu series, and the remainder of this Indenture and of the Securities of such series shall be unaffec

Section 13.04 Conditions to Defeasance or Covenant Defeasance. The following shall be to defeasance under Section 13.02 and covenant defeasance under Section 13.03 with respect to the Securities of a particular series:

(1) The Company shall irrevocably have deposited or caused to be deposited with the another trustee satisfying the requirements of Section 6.09 who shall agree to comply with the pr Article applicable to it) , under the terms of an irrevocable trust agreement in form and substan satisfactory to such Trustee, as trust funds in trust for the purpose of making the following pay specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of pri interest in respect thereof in accordance with their terms will provide, not later than the due d payment, money in an amount, or (C) a combination thereof, in each case sufficient, after payment state and local taxes or other charges or assessments in respect thereof payable by the Trustee, of a nationally recognized firm of independent public accountants expressed in a written certific delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or oth trustee) to pay and discharge, (i) the principal of (and premium, if any, on) and each installmen of (and premium, if any) and interest on the Outstanding Securities of such series on the Stated principal or installment of principal or interest and (ii) any mandatory sinking fund payments or payments applicable to the Outstanding Securities of such series on the day on which such payment payable in accordance with the terms of this Indenture and of such Securities.

(2) No Default or Event of Default with respect to the Securities of such series sh occurred and be continuing on the date of such deposit or shall occur as a result of such deposit

(3) Such deposit, defeasance or covenant defeasance shall not result in a breach or or constitute a default under, any other material debt agreement or instrument to which the Compa by which it is bound.

(4) In the case of an election with respect to Section 13.02, the Company shall hav the Trustee either (a) a ruling directed to the Trustee received from the Internal Revenue Servic that the Holders of the Outstanding Securities of such series will not recognize income, gain or income tax purposes as a result of such defeasance and will be subject to federal income tax on t in the same manner and at the same times as would have been the case if such defeasance had not o an Opinion of Counsel, based on such ruling or on a change in the applicable federal income tax l date of this Indenture, in either case to the effect that, and based thereon such opinion shall c Holders of the Outstanding Securities of such series will not recognize income, gain or loss for tax purposes as a result of such defeasance and will be subject to federal income tax on the same

same manner and at the same times as would have been the case if such defeasance had not occurred

(5) the case of an election with respect to Section 13.03, the Company shall have d
Trustee an Opinion of Counsel or a ruling directed to the Trustee received from the Internal Reve
the effect that the Holders of the Outstanding Securities of such series will not recognize incom
for federal income tax purposes as a result of such covenant defeasance and will be subject to fe
on the same amounts, in the same manner and at the same times as would have been the case if such
defeasance had not occurred.

(6) Such defeasance or covenant defeasance shall be effected in compliance with any
terms, conditions or limitations which may be imposed on the Company in connection therewith purs
3.01.

(7) The Company shall have delivered to the Trustee an Officers' Certificate and an
Counsel, each stating that all conditions precedent provided for relating to either the defeasanc
13.02 or the covenant defeasance under Section 13.03 (as the case may be) have been complied with

Section 13.05 Deposited Money and Government Obligations To Be Held in Trust. Subject
provisions of the last paragraph of Section 10.05, all money and Government Obligations (includin
thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of th
13.05, the Trustee) pursuant to Section 13.04 in respect of the Outstanding Securities of a par
shall be held in trust and applied by the Trustee, in accordance with the provisions of such Secu
Indenture, to the payment, either directly or through any Paying Agent (including the Company act
Paying Agent) as the Trustee may determine, to the Holders of such Securities of all sums due and
thereon in respect of principal (and premium, if any) and interest, but such money need not be se
other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imp
assessed against the U.S. Government Obligations deposited pursuant to Section 13.04 or the princ
interest received in respect thereof, other than any such tax, fee or other charge which by law i
account of the Holders of the Outstanding Securities of such series.

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver or p
Company from time to time upon Company Request any money or Government Obligations held by it as
Section 13.04 with respect to Securities of any series which, in the opinion of a nationally reco
independent public accountants expressed in a written certification thereof delivered to the Trus
excess of the amount thereof which would then be required to be deposited for the purpose for whi
Government Obligations were deposited.

Section 13.06 Reinstatement. If the Trustee or the Paying Agent is unable to apply any
Government Obligations, as the case may be, in accordance with this Article with respect to any S
reason of any order or judgment of any court or governmental authority enjoining, restraining or
prohibiting such application, then the obligations under this Indenture and such Securities from
Company has been discharged or released pursuant to Section 13.02 or 13.03 shall be revived and r
though no deposit had occurred pursuant to this Article with respect to such Securities, until su
Trustee or Paying Agent is permitted to apply all money or U.S. Government Obligations, as the ca
in trust pursuant to Section 13.05 with respect to such Securities in accordance with this Articl
however, that if the Company makes any payment of principal of or any premium or interest on any
following such reinstatement of its obligations, the Company shall be subrogated to the rights (i
Holders of such Securities to receive such payment from the money or U.S. Government Obligations,
be, so held in trust.

ARTICLE 14
SUBORDINATION

Section 14.01 Securities Subordinated to Senior Debt. Except as otherwise specified or
Section 3.01 or the other provisions of this Agreement, the Company covenants and agrees, and eac
Security, by his acceptance thereof, likewise covenants and agrees, that, to the extent and in th
hereinafter set forth in this Article, the payment of the principal of and premium, if any, and i
and all of the Securities are hereby expressly made subordinate and subject in right of payment t
payment in full of all Senior Debt. The terms of this Article 14 may be modified or amended for
Securities as contemplated by Section 3.01.

Section 14.02 Payment over of Proceeds upon Dissolution, Etc. In the event of (a) any bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar proceeding in connection therewith, relative to the Company or to its creditors or to its assets, liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any oth of assets and liabilities of the Company, then and in any such event specified in (a), (b) or (c) such event, if any, a PROCEEDING) the holders of Senior Debt shall be entitled to receive payme all amounts due or to become due on or in respect of all Senior Debt, or provision shall be made in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, holders of the Securities are entitled to receive any payment or distribution of any kind or char in cash, property or securities, on account of principal of or premium, if any, or interest on th on account of any purchase or other acquisition of Securities by the Company, or any Subsidiary o Call such payments, distributions, purchases and acquisitions herein referred to, individually an as a SECURITIES PAYMENT), and to that end the holders of all Senior Debt shall be entitled to r application to the payment thereof, any Securities Payment which may be payable or deliverable in Securities in any such Proceeding.

In the event that, notwithstanding the foregoing provisions of this Section, the Trustee of any Security shall have received any Securities Payment before all Senior Debt is paid in full thereof provided for in cash or cash equivalents or otherwise in a manner satisfactory to the hol Debt, and if such fact shall, at or prior to the time of such Securities Payment, have been made Trustee or, as the case may be, such holder, then and in such event such Securities Payment shall delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assig other Person making payment or distribution of assets of the Company for application to the payme Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full, after giving effec concurrent payment or distribution to or for the holders of Senior Debt.

For purposes of this Article only, the words any payment or distribution of any kind or whether in cash, property or securities shall not be deemed to include a payment or distribution securities of the Company provided for by a plan of reorganization or readjustment authorized by decree of a court of competent jurisdiction in a reorganization proceeding under any applicable b of any other corporation provided for by such plan of reorganization or readjustment which stock are subordinated in right of payment to all then outstanding Senior Debt to substantially the sam Securities are so subordinated as provided in this Article. The consolidation of the Company wit of the Company into, another Person or the liquidation or dissolution of the Company following th transfer, sale or lease of all or substantially all of its properties and assets to another Perso and conditions set forth in Article 8 shall not be deemed a Proceeding for the purposes of this S Person formed by such consolidation or into which the Company is merged or the Person which acqui conveyance, transfer, sale or lease such properties and assets, as the case may be, shall, as a p consolidation, merger, conveyance, transfer, sale or lease comply with the conditions set forth i

Section 14.03 No Payment When Senior Debt in Default. In the event that any series of declared due and payable before their maturity, then and in such event the holders of the Senior at the time such series of Securities so become due and payable shall be entitled to receive paym all amounts due or to become due on or in respect of all Senior Debt, or provision shall be made in cash or cash equivalents or otherwise in a manner satisfactory to the holders of such Senior D holders of the Securities of such series are entitled to receive any Securities Payment.

In the event and during the continuation of any default in the payment of principal or o any, or interest on any Senior Debt beyond any applicable grace period with respect thereto, or i any event of default with respect to any Senior Debt shall have occurred and be continuing permit of such Senior Debt (or a trustee, or other representative on behalf of the holders thereof) to d Senior Debt due and payable prior to the date on which it would otherwise have become due and pay until such event of default shall have been cured or waived or shall have ceased to exist and any acceleration shall have been rescinded or annulled, or in the event any judicial proceeding shall respect to any such default in payment or event of default, then no Securities Payment shall be m

In the event that, notwithstanding the foregoing, the Company shall make any Securities Trustee or any holder prohibited by the foregoing provisions of this Section, and if such fact sh to the time of such Securities Payment, have been made known to the Trustee or, as the case may b then and in such event such Securities Payment shall be paid over and delivered forthwith to the

The provisions of this Section shall not apply to any Securities Payment with respect to 14.02 would be applicable.

Section 14.04 Payment Permitted If No Default. Nothing contained in this Article or el Indenture or in any of the Securities shall prevent (a) the Company, at any time except during th any Proceeding referred to in Section 14.02 or under the conditions described in Section 14.03, f Securities Payments, or (b) the application by the Trustee of any money deposited with it hereund Payments or the retention of such Securities Payment by the holders, if at the time of such appli Trustee, it did not have actual knowledge that such Securities Payment would have been prohibited provisions of this Article.

Section 14.05 Subrogation to Rights of Holders of Senior Debt. Subject to the payment amounts due or to become due on or in respect of Senior Debt, or the provision for such payment i equivalents or otherwise in a manner satisfactory to the holders of Senior Debt, the holders of t shall be subrogated to the rights of the holders of such Senior Debt to receive payments and dist cash, property and securities applicable to the Senior Debt until the principal of and premium, i interest on the Securities shall be paid in full. For purposes of such subrogation, no payments to the holders of the Senior Debt of any cash, property or securities to which the holders of the the Trustee would be entitled except for the provisions of this Article, and no payments over pur provisions of this Article to the holders of Senior Debt by holders of the Securities or the Trus among the Company, its creditors other than holders of Senior Debt and the holders of the Securit to be a payment or distribution by the Company to or on account of the Senior Debt.

Section 14.06 Provisions Solely to Define Relative Rights. The provisions of this Arti intended solely for the purpose of defining the relative rights of the holders on the one hand an Senior Debt on the other hand. Nothing contained in this Article or elsewhere in this Indenture Securities is intended to or shall (a) impair, as among the Company, its creditors other than hol Debt and the holders of the Securities, the obligation of the Company, which is absolute and unco which, subject to the rights under this Article of the holders of Senior Debt, is intended to ran all other general obligations of the Company), to pay to the holders of the Securities the princi premium, if any, and interest on the Securities as and when the same shall become due and payable with their terms; or (b) affect the relative rights against the Company of the holders of the Sec creditors of the Company other than the holders of Senior Debt; or (c) prevent the Trustee or the Security from exercising all remedies otherwise permitted by applicable law upon default under th subject to the rights, if any, under this Article of the holders of Senior Debt to receive cash, securities otherwise payable or deliverable to the Trustee or such holder.

Section 14.07 Trustee to Effectuate Subordination. Each holder of a Security by his ac authorizes and directs the Trustee on his behalf to take such action as may be necessary or appro effectuate the subordination provided in this Article and appoints the Trustee his attorney-in-fa all such purposes.

Section 14.08 No Waiver of Subordination Provisions. No right of any present or future Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudice any act or failure to act on the part of the Company or by any act or failure to act, in good fai holder, or by any noncompliance by the Company with the terms, provisions and covenants of this I regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Se at any time and from time to time, without the consent of or notice to the Trustee or the holders Securities, without incurring responsibility to the holders of the Securities and without impairi the subordination provided in this Article or the obligations hereunder of the holders of the Sec holders of Senior Debt, do any one or more of the following: (i) change the manner, place or ter extend the time of payment of, or renew or alter, Senior Debt, or otherwise amend or supplement i Senior Debt or any instrument evidencing the same or any agreement under which Senior Debt is out sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise secur (iii) release any Person liable in any manner for the collection of Senior Debt; and (iv) exercis from exercising any rights against the Company and any other Person.

Section 14.09 Notice to Trustee. The Company shall give prompt written notice to the T fact known to the Company which would prohibit the making of any payment to or by the Trustee in

Securities. Notwithstanding the provisions of this Article or any other provision of this Indent shall not be charged with knowledge of the existence of any facts which would prohibit the making to or by the Trustee in respect of the Securities, unless and until a Responsible Officer of the have received written notice thereof from the Company or a holder of Senior Debt or from any trus representative thereof; and, prior to the receipt of any such written notice, the Trustee shall b all respects to assume that no such facts exist; provided, however, that if the Trustee shall not the notice provided for in this Section at least one full Business Day prior to the date upon whi hereof any money may become payable for any purpose (including, without limitation, the payment o of and premium, if any, or interest on any Security) , then, anything herein contained to the con notwithstanding, the Trustee shall have full power and authority to receive such money and to app the purpose for which such money was received and shall not be affected by any notice to the cont be received by it within one full Business Day prior to such date.

Subject to the provisions of Section 6.01, the Trustee shall he entitled to rely on the of a written notice by a Person representing himself to be a holder of Senior Debt (or a trustee representative thereof) to establish that such notice has been given by a holder of Senior Debt (therefor or representative thereof). In the event that the Trustee determines in good faith that evidence is required with respect to the right of any Person as a holder of Senior Debt to partic payment or distribution pursuant to this Article, the Trustee may request such Person to furnish reasonable satisfaction of the Trustee as to the amount of Senior Debt held by such Person, the e such Person is entitled to participate in such payment or distribution and any other facts pertin rights of such Person under this Article, and if such evidence is not furnished, the Trustee may payment to such Person pending judicial determination as to the rights of such Person to receive

Section 14.10 Reliance on Judicial Order or Certificate of Liquidating Agent. Upon any distribution of assets of the Company referred to in this Article, the Trustee, subject to the pr Section 6.01, and the holders of the Securities shall be entitled to rely upon any order or decre court of competent jurisdiction in which such Proceeding is pending, or a certificate of the trus bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agen Person making such payment or distribution, delivered to the Trustee or to the holders of Securit purpose of ascertaining the Persons entitled to participate in such payment or distribution, the Senior Debt and other indebtedness of the Company, the amount thereof or payable thereon, the amo paid or distributed thereon and all other facts pertinent thereto or to this Article.

Section 14.11 Trustee Not Fiduciary for Holders of Senior Debt. The Trustee shall not any fiduciary duty to the holders of Senior Debt and shall not be liable to any such holders if i faith mistakenly pay over or distribute to holders of Securities or to the Company or to any othe property or securities to which any holders of Senior Debt shall be entitled by virtue of this Ar otherwise. The Trustee shall not be charged with knowledge of the existence of Senior Debt or of would prohibit any payment hereunder unless a Responsible Officer of the Trustee shall have recei that effect at the address of the Trustee set forth in Section 1.05. With respect to the holders the Trustee undertakes to perform or to observe only such of its covenants or obligations as are forth in this Article and no implied covenants or obligations with respect to holders of Senior D read into this Indenture against the Trustee.

Section 14.12 Rights of Trustee as Holder of Senior Debt; Preservation of Trustee's Rig Trustee in its individual capacity shall be entitled to all the rights set forth in this Article any Senior Debt which may at any time be held by it, to the same extent as any other holder of Se nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing shall apply to claims of, or payments to, the Trustee under or pursuant to Section 6.07.

Section 14.13 Article Applicable to Paying Agents. In case at any time any paying agen Trustee shall have been appointed by the Company and be then acting hereunder, the term TRUSTEE Article shall in such case (unless the context otherwise requires) be construed as extending to a such paying agent within its meaning as fully for all intents and purposes as if such paying agen this Article in addition to or in place of the Trustee; provided, however, that Sections 14.09 an not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying A

ARTICLE 15
GUARANTEES

Section 15.01 Guarantee. Any series of Securities may be guaranteed by one or more of

The terms and the form of any such Guarantee will be established in the manner contemplated by Se
that particular series of Securities.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, a
and year first above written.

SALEM COMMUNICATIONS HOLDING CORPORATION

By:_____
Name:
Title:

Attest:

_____
Name:
Title:

THE BANK OF NEW YORK,
as Trustee

By:_____
Name:
Title:

Attest:

_____
Name:
Title:

Exhibit 23.02

Consent of Ernst & Young LLP, Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement
Prospectus of Salem Communications Corporation and to the incorporation by reference therein of o
with respect to the consolidated financial statements and schedule of Salem Communications Corpor
(Form 10-K) for the year ended December 31, 2001, filed with the Securities and Exchange Commissi

/s/Ernst & Young LLP
_____

Woodland Hills, CA
April 15, 2002

EXHIBIT 25.02

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) |__|

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification n
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

SALEM COMMUNICATIONS CORPORATION
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	77-0121400 (I.R.S. employer identification n

SALEM COMMUNICATIONS HOLDING CORPORATION
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2253737 (I.R.S. employer identification n

ATEP Radio, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	77-0132973 (I.R.S. employer identification n

Bison Media, Inc.
(Exact name of obligor as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	77-0434654 (I.R.S. employer identification n

Caron Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

Ohio (State or other jurisdiction of incorporation or organization)	77-0439370 (I.R.S. employer identification n

CCM Communications, Inc.
(Exact name of obligor as specified in its charter)

Tennessee (State or other jurisdiction of incorporation or organization)	95-3394730 (I.R.S. employer identification n

Common Ground Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

Oregon (State or other jurisdiction of incorporation or organization)	93-1079989 (I.R.S. employer identification n

Golden Gate Broadcasting Company, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	94-3082936 (I.R.S. employer identification n

Inland Radio, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	77-0114987 (I.R.S. employer identification n

Inspiration Media of Pennsylvania, L.P.
(Exact name of obligor as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	52-2295353 (I.R.S. employer identification n

Inspiration Media of Texas, LLC
(Exact name of obligor as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	75-2615876 (I.R.S. employer identification n

Inspiration Media, Inc.
(Exact name of obligor as specified in its charter)

Washington (State or other jurisdiction of incorporation or organization)	77-0132974 (I.R.S. employer identification n

Kingdom Direct, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	77-0498022 (I.R.S. employer identification n

New England Continental Media, Inc.
(Exact name of obligor as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation or organization)	04-2625658 (I.R.S. employer identification n

New Inspiration Broadcasting Company, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	95-3356921 (I.R.S. employer identification n

OnePlace, LLC
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2141739 (I.R.S. employer identification n

Pennsylvania Media Associates, Inc.
(Exact name of obligor as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	94-3134636 (I.R.S. employer identification n

Radio 1210, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	77-0052616 (I.R.S. employer identification n

Reach Satellite Network, Inc.
(Exact name of obligor as specified in its charter)

Tennessee (State or other jurisdiction of incorporation or organization)	62-1499223 (I.R.S. employer identification n

Salem Communications Acquisition Corporation
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2251145 (I.R.S. employer identification n

Salem Media Corporation
(Exact name of obligor as specified in its charter)

New York (State or other jurisdiction of incorporation or organization)	95-3482072 (I.R.S. employer identification n

Salem Media of Colorado, Inc.
(Exact name of obligor as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	84-1239646 (I.R.S. employer identification n

Salem Media of Georgia, Inc.
(Exact name of obligor as specified in its charter)

Delaware	52-2194729

(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Hawaii, Inc.
(Exact name of obligor as specified in its charter)

Delaware	91-1973005
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Illinois, LLC
(Exact name of obligor as specified in its charter)

Delaware	52-2295222
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Kentucky, Inc.
(Exact name of obligor as specified in its charter)

Kentucky	61-1346985
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of New York, LLC
(Exact name of obligor as specified in its charter)

Delaware	52-2293254
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Ohio, Inc.
(Exact name of obligor as specified in its charter)

Ohio	95-3690954
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Oregon, Inc.
(Exact name of obligor as specified in its charter)

Oregon	77-0114986
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Pennsylvania, Inc.
(Exact name of obligor as specified in its charter)

Pennsylvania	77-0237182
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Texas, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0379125
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Virginia, Inc.
(Exact name of obligor as specified in its charter)

Virginia	54-1927897
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Music Network, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0434655
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Radio Network Incorporated
(Exact name of obligor as specified in its charter)

Delaware	77-0305542
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Radio Operations-Pennsylvania, Inc.
(Exact name of obligor as specified in its charter)

Delaware	52-2295223
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Radio Operations, LLC
(Exact name of obligor as specified in its charter)

Delaware	77-0581097
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Radio Properties, Inc.
(Exact name of obligor as specified in its charter)

Delaware	52-2194731
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Radio Representatives, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0281576
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

SCA License Corporation
(Exact name of obligor as specified in its charter)

Delaware	52-2255733
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

South Texas Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0388924

(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

SRN News Network, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0426090
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Vista Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

California	77-0389639
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n
4880 Santa Rosa Road Suite 300 Camarillo, California	93012
(Address of principal executive offices)	(Zip code)

Senior Debt Securities
(Title of the indenture securities)

1. General information. Furnish the following information as to the Tru

(a) Name and address of each examining or supervising authority to which it is subject

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New Yo N.Y. 10006, and Albany
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated h reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1 and 17 C.F.R. 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Tr

now in effect, which contains the authority to commence business and a grant of po
corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Regi
Statement No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Stat
33-21672 and Exhibit 1 to Form T-1 filed with Registration Statement No. 33-29637.

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with
Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to F
with Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law
requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Bank o
corporation organized and existing under the laws of the State of New York, has dul
statement of eligibility to be signed on its behalf by the undersigned, thereunto duly
all in The City of New York, and State of New York, on the 1st day of April, 2002.

THE BANK OF NEW YORK

By: /s/ MARY LAGUMINA
Name: MARY LAGUMINA
Title: VICE PRESIDENT

EXHIBIT 7.0

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System, at the close of business September 30, 2001, published
a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federa

	Dol
ASSETS	I
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin..	
Interest-bearing balances.....	
Securities:	
Held-to-maturity securities.....	
Available-for-sale securities.....	
Federal funds sold and Securities purchased under agreements to resell.....	
Loans and lease financing receivables:	
Loans and leases held for sale	
Loans and leases, net of unearned income	
LESS: Allowance for loan and lease losses	

Loans and leases, net of unearnedincome and allowance.....
Trading Assets.....
Premises and fixed assets (including capitalized leases).....
Other real estate owned.....
Investments in unconsolidated subsidiaries and associated companies.....
Customers' liability to this bank on acceptances outstanding.....
Intangible assets.....
Goodwill.....
Other intangible assets.....
Other assets.....
Total assets.....
LIABILITIES
Deposits:
In domestic offices.....
Noninterest-bearing.....
Interest-bearing.....
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....
Noninterest-bearing.....
Interest-bearing.....
Federal funds purchased and securities sold under agreements to repurchase.....
Trading liabilities.....
Other borrowed money:
(includes mortgage indebtedness and obligations under capitalized leases)
Bank's liability on acceptances executed and outstanding.....
Subordinated notes and debentures.....
Other liabilities.....
Total liabilities.....
EQUITY CAPITAL
Common stock.....
Surplus.....
Retained earnings.....
Accumulated other comprehensive income
Other equity capital components
Total equity capital.....
Total liabilities and equity capital.....

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank that this Report of Condition has been prepared in conformance with the instructions issu Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

Thomas J
Senior Vice President and Co

We, the undersigned directors, attest to the correctness of this Report of Condition a has been examined by us and to the best of our knowledge and belief has been prepared in con instructions issued by the Board of Governors of the Federal Reserve System and is true and corre

Thomas A. Renyi
Gerald L. Hassell
Alan R. Griffith Directors

EXHIBIT 25.03

FORM T-1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE
ELIGIBILITY OF A TRUSTEE PURSUANT TO
SECTION 305(b)(2) |__|

THE BANK OF NEW YORK
(Exact name of trustee as specified in its charter)

New York (State of incorporation if not a U.S. national bank)	13-5160382 (I.R.S. employer identification n
One Wall Street, New York, N.Y. (Address of principal executive offices)	10286 (Zip code)

SALEM COMMUNICATIONS CORPORATION
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	77-0121400 (I.R.S. employer identification n

SALEM COMMUNICATIONS HOLDING CORPORATION
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2253737 (I.R.S. employer identification n

ATEP Radio, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	77-0132973 (I.R.S. employer identification n

Bison Media, Inc.
(Exact name of obligor as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	77-0434654 (I.R.S. employer identification n

Caron Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

Ohio (State or other jurisdiction of	77-0439370 (I.R.S. employer

incorporation or organization)	identification n

CCM Communications, Inc.
(Exact name of obligor as specified in its charter)

Tennessee	95-3394730
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Common Ground Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

Oregon	93-1079989
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Golden Gate Broadcasting Company, Inc.
(Exact name of obligor as specified in its charter)

California	94-3082936
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Inland Radio, Inc.
(Exact name of obligor as specified in its charter)

California	77-0114987
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Inspiration Media of Pennsylvania, L.P.
(Exact name of obligor as specified in its charter)

Pennsylvania	52-2295353
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Inspiration Media of Texas, LLC
(Exact name of obligor as specified in its charter)

Texas	75-2615876
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Inspiration Media, Inc.
(Exact name of obligor as specified in its charter)

Washington	77-0132974
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Kingdom Direct, Inc.
(Exact name of obligor as specified in its charter)

California	77-0498022
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

New England Continental Media, Inc.
(Exact name of obligor as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation or organization)	04-2625658 (I.R.S. employer identification n

New Inspiration Broadcasting Company, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	95-3356921 (I.R.S. employer identification n

OnePlace, LLC
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2141739 (I.R.S. employer identification n

Pennsylvania Media Associates, Inc.
(Exact name of obligor as specified in its charter)

Pennsylvania (State or other jurisdiction of incorporation or organization)	94-3134636 (I.R.S. employer identification n

Radio 1210, Inc.
(Exact name of obligor as specified in its charter)

California (State or other jurisdiction of incorporation or organization)	77-0052616 (I.R.S. employer identification n

Reach Satellite Network, Inc.
(Exact name of obligor as specified in its charter)

Tennessee (State or other jurisdiction of incorporation or organization)	62-1499223 (I.R.S. employer identification n

Salem Communications Acquisition Corporation
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2251145 (I.R.S. employer identification n

Salem Media Corporation
(Exact name of obligor as specified in its charter)

New York (State or other jurisdiction of incorporation or organization)	95-3482072 (I.R.S. employer identification n

Salem Media of Colorado, Inc.
(Exact name of obligor as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	84-1239646 (I.R.S. employer identification n

Salem Media of Georgia, Inc.
(Exact name of obligor as specified in its charter)

Delaware	52-2194729
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Hawaii, Inc.
(Exact name of obligor as specified in its charter)

Delaware	91-1973005
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Illinois, LLC
(Exact name of obligor as specified in its charter)

Delaware	52-2295222
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Kentucky, Inc.
(Exact name of obligor as specified in its charter)

Kentucky	61-1346985
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of New York, LLC
(Exact name of obligor as specified in its charter)

Delaware	52-2293254
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Ohio, Inc.
(Exact name of obligor as specified in its charter)

Ohio	95-3690954
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Oregon, Inc.
(Exact name of obligor as specified in its charter)

Oregon	77-0114986
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Pennsylvania, Inc.
(Exact name of obligor as specified in its charter)

Pennsylvania	77-0237182
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Texas, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0379125

(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Salem Media of Virginia, Inc.
(Exact name of obligor as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	54-1927897 (I.R.S. employer identification n

Salem Music Network, Inc.
(Exact name of obligor as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	77-0434655 (I.R.S. employer identification n

Salem Radio Network Incorporated
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	77-0305542 (I.R.S. employer identification n

Salem Radio Operations-Pennsylvania, Inc.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2295223 (I.R.S. employer identification n

Salem Radio Operations, LLC
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	77-0581097 (I.R.S. employer identification n

Salem Radio Properties, Inc.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2194731 (I.R.S. employer identification n

Salem Radio Representatives, Inc.
(Exact name of obligor as specified in its charter)

Texas (State or other jurisdiction of incorporation or organization)	77-0281576 (I.R.S. employer identification n

SCA License Corporation
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	52-2255733 (I.R.S. employer identification n

South Texas Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0388924
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

SRN News Network, Inc.
(Exact name of obligor as specified in its charter)

Texas	77-0426090
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

Vista Broadcasting, Inc.
(Exact name of obligor as specified in its charter)

California	77-0389639
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification n

4880 Santa Rosa Road Suite 300 Camarillo, California	93012
(Address of principal executive offices)	(Zip code)

Subordinated Debt Securities
(Title of the indenture securities)

1. General information. Furnish the following information as to the Tru

(a) Name and address of each examining or supervising authority to which it is subject

Name	Address
Superintendent of Banks of the State of New York	2 Rector Street, New Yo N.Y. 10006, and Albany
Federal Reserve Bank of New York	33 Liberty Plaza, New York, N.Y. 10045
Federal Deposit Insurance Corporation	Washington, D.C. 20429
New York Clearing House Association	New York, New York 10005

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated h

an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act 229.10(d).

1. A copy of the Organization Certificate of The Bank of New York (formerly Irving Tr in effect, which contains the authority to commence business and a grant of powers corporate trust powers. (Exhibit 1 to Amendment No. 1 to Form T-1 filed with Regi No. 33-6215, Exhibits 1a and 1b to Form T-1 filed with Registration Statement No. 1 to Form T-1 filed with Registration Statement No. 33-29637.)

4. A copy of the existing By-laws of the Trustee. (Exhibit 4 to Form T-1 filed with Statement No. 33-31019.)

6. The consent of the Trustee required by Section 321(b) of the Act. (Exhibit 6 to F Registration Statement No. 33-44051.)

7. A copy of the latest report of condition of the Trustee published pursuant to law requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the Trustee, The Ban corporation organized and existing under the laws of the State of New York, has statement of eligibility to be signed on its behalf by the undersigned, thereunto duly in The City of New York, and State of New York, on the 1st day of April, 2002.

THE BANK OF NEW YORK

By: /s/ MARY LAGUMINA
Name: MARY LAGUMINA
Title: VICE PRESIDENT

EXHIBIT 7.0

Consolidated Report of Condition of

THE BANK OF NEW YORK

of One Wall Street, New York, N.Y. 10286
And Foreign and Domestic Subsidiaries,

a member of the Federal Reserve System, at the close of business September 30, 2001, published a call made by the Federal Reserve Bank of this District pursuant to the provisions of the Federa

	Dol I
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin..	
Interest-bearing balances.....	
Securities:	
Held-to-maturity securities.....	
Available-for-sale securities.....	
Federal funds sold and Securities purchased under agreements to resell.....	

Loans and lease financing receivables:
   Loans and leases held for sale
   Loans and leases, net of unearned income
   LESS: Allowance for loan and lease losses
   Loans and leases, net of unearned income and allowance.....
Trading Assets.....
Premises and fixed assets (including capitalized leases).....
Other real estate owned.....
Investments in unconsolidated subsidiaries and associated companies.....
Customers' liability to this bank on acceptances outstanding.....
Intangible assets.....
   Goodwill.....
   Other intangible assets.....
Other assets.....
Total assets.....
LIABILITIES
Deposits:
   In domestic offices.....
   Noninterest-bearing.....
   Interest-bearing.....
   In foreign offices, Edge and Agreement subsidiaries, and IBFs.....
   Noninterest-bearing.....
   Interest-bearing.....
Federal funds purchased and securities sold under agreements to repurchase.....
Trading liabilities.....
Other borrowed money:
   (includes mortgage indebtedness and obligations under capitalized leases)
Bank's liability on acceptances executed and outstanding.....
Subordinated notes and debentures.....
Other liabilities.....
Total liabilities.....
EQUITY CAPITAL
Common stock.....
Surplus.....
Retained earnings.....
Accumulated other comprehensive income
Other equity capital components
Total equity capital.....
Total liabilities and equity capital.....

I, Thomas J. Mastro, Senior Vice President and Comptroller of the above-named bank that this Report of Condition has been prepared in conformance with the instructions issu Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

==========

Thomas J
Senior Vice President and Co

We, the undersigned directors, attest to the correctness of this Report of Condition a has been examined by us and to the best of our knowledge and belief has been prepared in con instructions issued by the Board of Governors of the Federal Reserve System and is true and corre

Thomas A. Renyi
Gerald L. Hassell
Alan R. Griffith Directors