

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

## FORM 10-Q

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

For the period ended September 30, 1999  
or

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

For the transition period from

Commission file number 0-30242

LAMAR ADVERTISING COMPANY  
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	72-1449411 (I.R.S. Employer Identification No.)
5551 Corporate Blvd., Baton Rouge, LA (Address of principal executive officers)	70808 (Zip Code)

Registrant's telephone number, including area code (225) 926-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	---		---

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class -----	Outstanding as of November 10, 1999 -----
Class A Common Stock, \$.001 par value	70,400,889
Class B Common Stock, \$.001 par value	17,449,997

EXPLANATORY NOTE REGARDING  
CORPORATE REORGANIZATION  
OF LAMAR ADVERTISING COMPANY

On July 20, 1999, Lamar Advertising Company completed a corporate reorganization to create a new holding company structure. The reorganization was accomplished through a merger under section 251(g) of the Delaware General Corporation Law. At the effective time of the merger, all stockholders of Lamar Advertising Company became stockholders in a new holding company and Lamar Advertising Company became a wholly-owned subsidiary of the new holding company. The new holding company took the Lamar Advertising Company name and the old Lamar Advertising Company was renamed Lamar Media Corp. In the merger, all outstanding shares of old Lamar Advertising Company's capital stock were converted into shares of the new holding company with the same voting powers, designations, preferences and rights, and the same qualifications, restrictions and limitations, as the shares of old Lamar Advertising Company. Following the restructuring, the Class A common stock of the new holding company trades under the symbol "LAMR" on the Nasdaq National Market with the same CUSIP number as the old Lamar Advertising Company's Class A common stock.

In this quarterly report, "Lamar," the "company," "we," "us" and "our" refer to Lamar Advertising Company and its consolidated subsidiaries with respect to periods following the reorganization and to old Lamar Advertising company and its consolidated subsidiaries with respect to periods prior to the reorganization, except where we make it clear that we are only referring to Lamar Advertising Company or a particular subsidiary.

## CONTENTS

	Page
	----
PART I - FINANCIAL INFORMATION	
ITEM 1.	FINANCIAL STATEMENTS
	Condensed Consolidated Balance Sheets as of September 30, 1999 and December 31, 1998 . . . . . 1
	Condensed Consolidated Statements of Operations for the three months ended September 30, 1999 and September 30, 1998 and nine months ended September 30, 1999 and September 30, 1998 . . . . . 2
	Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended September 30, 1999 and September 30, 1998 and nine months ended September 30, 1999 and September 30, 1998 . . . . . 3
	Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 1999 and September 30, 1998 . . . . . 4 - 5
	Notes to Condensed Consolidated Financial Statements . . . . . 6 - 10
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations . . . . . 11 - 14
ITEM 3.	Quantitative and Qualitative Disclosures About Market Risks . . . . . 14 - 15
ITEM 4.	Submission of Matters to a Vote of Security Holders . . . . . 15
PART II - OTHER INFORMATION	
ITEM 2.	Changes in Securities and Use of Proceeds . . . . . 15
ITEM 5.	Other Information . . . . . 15
ITEM 6.	Exhibits and Reports on Form 8-K . . . . . 15 - 19
	Signatures . . . . . 19

PART I - FINANCIAL INFORMATION  
 ITEM 1.- FINANCIAL STATEMENTS

LAMAR ADVERTISING COMPANY AND  
 SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	September 30, 1999	December 31, 1998
	-----	-----
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,778	\$ 128,597
Receivables, net	84,294	40,380
Prepaid expenses	22,235	12,346
Other current assets	18,431	1,736
	-----	-----
Total current assets	135,738	183,059
	-----	-----
Property, plant and equipment	1,410,561	661,324
Less accumulated depreciation and amortization	(215,240)	(153,972)
	-----	-----
Net property, plant and equipment	1,195,321	507,352
	-----	-----
Intangible assets	1,881,450	705,934
Other assets - non-current	18,034	17,032
	-----	-----
Total assets	\$3,230,543	\$1,413,377
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 9,806	\$ 4,258
Accrued expenses	70,608	25,912
Current maturities of long-term debt	4,670	49,079
Deferred income	13,178	9,589
	-----	-----
Total current liabilities	98,262	88,838
Long-term debt	1,593,690	827,453
Deferred tax liability	124,364	25,613
Deferred income	1,224	1,293
Other liabilities	4,732	3,401
	-----	-----
Total liabilities	1,822,272	946,598
	-----	-----
Series AA preferred stock, par value \$.001, \$63.80 cumulative dividends, authorized 1,000,000 shares; 5,719.49 shares issued and outstanding at September 30, 1999	--	--
Class A preferred stock, par value \$638, \$63.80 cumulative dividends, authorized 10,000 shares; 0 and 5,719.49 shares issued and outstanding at September 30, 1999, and December 31, 1998, respectively	--	3,649
Class A common stock, \$.001 par value, authorized 125,000,000 shares; issued and outstanding 70,365,850 shares and 43,392,876 shares at September 30, 1999, and December 31, 1998, respectively	70	43
Class B common stock, \$.001 par value, authorized 37,500,000 shares; issued and outstanding 17,449,997 and 17,699,997 shares at September 30, 1999, and December 31, 1998, respectively	18	18
Additional paid-in capital	1,470,291	505,644
Accumulated deficit	(62,108)	(42,575)
	-----	-----
Stockholders' equity	1,408,271	466,779
	-----	-----
Total liabilities and stockholders' equity	\$3,230,543	\$1,413,377
	=====	=====

See accompanying notes to condensed consolidated financial statements

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
	----	----	----	----
Net revenues	\$ 111,039	\$ 73,528	\$ 294,614	\$ 201,600
Operating expenses				
Direct advertising expenses	33,236	22,257	93,481	64,696
Selling, general and administrative expenses	23,172	14,954	64,025	43,178
Depreciation and amortization	40,738	20,375	104,951	57,471
	-----	-----	-----	-----
	97,146	57,586	262,457	165,345
	-----	-----	-----	-----
Operating income	13,893	15,942	32,157	36,255
	-----	-----	-----	-----
Other expense (income)				
Interest income	(112)	(123)	(1,067)	(359)
Interest expense	21,092	12,116	57,471	39,357
(Gain) loss on disposition of assets	(5,189)	81	(5,666)	473
	-----	-----	-----	-----
	15,791	12,074	50,738	39,471
	-----	-----	-----	-----
Earnings (loss) before income taxes, extraordinary item and cumulative effect of a change in accounting principle	(1,898)	3,868	(18,581)	(3,216)
Income tax expense (benefit)	1,404	2,239	(362)	816
	-----	-----	-----	-----
Earnings (loss) before extraordinary item and cumulative effect of a change in accounting principle	(3,302)	1,629	(18,219)	(4,032)
	-----	-----	-----	-----
Extraordinary item - loss on debt extinguishment net of tax benefit of \$117	(182)	--	(182)	--
	-----	-----	-----	-----
Earnings (loss) before cumulative effect of a change in accounting principle	(3,484)	1,629	(18,401)	(4,032)
	-----	-----	-----	-----
Cumulative effect of a change in accounting principle	--	--	(767)	--
	-----	-----	-----	-----
Net earnings (loss)	(3,484)	1,629	(19,168)	(4,032)
Preferred stock dividends	91	91	365	365
	-----	-----	-----	-----
Net earnings (loss) applicable to common stock	\$ (3,575)	\$ 1,538	(19,533)	(4,397)
	=====	=====	=====	=====
Earnings (loss) per common share - basic and diluted:				
Earnings (loss) before extraordinary item and accounting change	\$ (.05)	\$ .03	(.30)	(.09)
Extraordinary Item - loss on debt extinguishment	--	--	--	--
Cumulative effect of a change in accounting principle	--	--	(.01)	--
	-----	-----	-----	-----
Net earnings (loss)	\$ (.05)	\$ .03	\$ (.31)	\$ (.09)
	=====	=====	=====	=====
Weighted average common shares outstanding	65,953,441	54,005,114	62,792,352	50,076,742
Incremental common shares from dilutive stock options	--	596,604	--	--
Incremental common shares from convertible debt	--	--	--	--
	-----	-----	-----	-----
Weighted average common shares assuming dilution	65,953,441	54,601,718	62,792,352	50,076,742
	=====	=====	=====	=====

See accompanying notes to condensed consolidated financial statements



LAMAR ADVERTISING COMPANY AND  
 SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
 (UNAUDITED)  
 (IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
	----	----	----	----
Net earnings (loss) applicable to common stock	\$ (3,575)	\$ 1,538	\$ (19,533)	\$ (4,397)
Other comprehensive income (loss) - unrealized loss on investment securities (net of deferred tax benefit of \$217 for the nine months ended September 30, 1998)	--	--	--	354
	-----	-----	-----	-----
Comprehensive income (loss)	\$ (3,575)	\$ 1,538	\$ (19,533)	\$ (4,043)
	=====	=====	=====	=====

See accompanying notes to condensed consolidated financial statements

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)  
(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

	Nine Months Ended	
	September 30,	
	1999	1998
	----	----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (19,168)	\$ (4,032)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	104,951	57,471
Cumulative effect of a change in accounting principle	767	--
(Gain) loss on disposition of assets	(5,666)	473
Deferred taxes	(9,765)	(2,548)
Provision for doubtful accounts	2,114	1,265
Changes in operating assets and liabilities:		
Decrease (Increase) in:		
Receivables	(8,866)	(1,520)
Prepaid expenses	445	(714)
Other assets	3,558	978
Increase (Decrease) in:		
Trade accounts payable	2,022	770
Accrued expenses	149	1,288
Other liabilities	18	(144)
Deferred income	(5,248)	2,252
	-----	-----
Net cash provided by operating activities	65,311	55,539
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in notes receivable	(1,587)	(280)
Acquisition of new markets	(831,681)	(220,780)
Capital expenditures	(53,435)	(40,420)
Proceeds from disposition of assets	3,943	1,419
	-----	-----
Net cash used in investing activities	(882,760)	(260,061)

(Continued)

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)  
(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

	Nine Months Ended September 30,	
	1999	1998
	----	----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt issuance costs	(12,507)	(2,503)
Net proceeds from issuance of common stock	3,948	181,450
Proceeds from issuance of notes payable	--	70
Principal payments on long-term debt	(78,040)	(4,152)
Net proceeds from note offering	279,594	--
Net borrowings under credit agreements	507,000	29,000
Dividends	(365)	(365)
	-----	-----
Net cash provided by financing activities	699,630	203,500
Net decrease in cash and cash equivalents	(117,819)	(1,022)
Cash and cash equivalents at beginning of period	128,597	7,246
	-----	-----
Cash and cash equivalents at end of period	\$ 10,778	\$ 6,224
	=====	=====
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 56,183	\$ 37,328
	=====	=====
Cash paid for state and federal income taxes	\$ 6,500	\$ 6,129
	=====	=====
Common stock issuance related to acquisitions	\$ 952,255	\$ 2,505
	=====	=====

See accompanying notes to condensed consolidated financial statements

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

1. Significant Accounting Policies

General

Lamar Advertising Company is principally a holding company ("Holdings") and conducts its operations principally through its wholly-owned subsidiary Lamar Media Corp. ("Lamar Media"). Holdings was incorporated in July, 1999 and became the parent of Lamar Media pursuant to the reorganization described in Note 5. References herein to the "Company" refer to Holdings and its subsidiaries, with respect to periods following the reorganization and to Lamar Media, (formerly known as Lamar Advertising Company) and its subsidiaries, with respect to periods prior to the reorganization. Prior to the formation of Holdings, the consolidated financial statements of the Company represented accounts of Lamar Media and its subsidiaries.

The information included in the foregoing interim financial statements is unaudited. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the Company's financial position and results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K.

Earnings Per Share

Earnings per share are computed in accordance with SFAS No. 128, "Earnings Per Share." The calculations of basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock that then shared in the earnings of the Company. The following adjustments were excluded from the calculation of diluted earnings per share because of their anti-dilutive effect:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
	----	----	----	----
Income impact of convertible securities	\$ 1,261	\$ --	\$ 1,261	\$ --
	=====	=====	=====	=====
Incremental shares from stock options	689,430	--	558,280	564,937
Incremental shares from convertible debt	3,378,375	--	1,138,500	--
	-----	-----	-----	-----
Dilutive potential common shares	4,067,805	--	1,696,780	564,937
	=====	=====	=====	=====

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

Reclassifications

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform with the current year presentation. These reclassifications had no effect on previously reported net earnings.

New Accounting Pronouncements

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-5, Reporting on the Costs of Start-Up Activities. SOP 98-5 is effective for financial statements for fiscal years beginning after December 15, 1998, and requires that the costs of start-up activities, including organizational costs, be expensed as incurred. The effect of SOP 98-5 is recorded as a cumulative effect of a change in accounting principle as described in Accounting Principles Board Opinion No. 20 "Accounting Changes".

2. Acquisitions

On January 5, 1999, the Company purchased all of the outdoor advertising assets of American Displays, Inc. for a cash purchase price of approximately \$14,500.

On February 1, 1999, the Company purchased all of the outdoor advertising assets of KJS, LLC for a cash purchase price of \$40,500.

On April 1, 1999, the Company purchased all of the assets of Frank Hardie, Inc. for a cash purchase price of approximately \$20,300.

On June 1, 1999, the Company purchased the assets of Vivid, Inc. for a cash purchase price of approximately \$22,100.

On September 15, 1999, Lamar Media Corp. purchased the capital stock of Chancellor Media Outdoor Corporation and Chancellor Media Whiteco Outdoor Corporation, ("Chancellor Outdoor") for a combination of approximately \$700,000 in cash and 26,227,273 shares of Class A common stock valued at approximately \$947,000. The stock purchase agreement also contains a post-closing adjustment in the event that the net working capital of Chancellor Outdoor as shown on the closing balance sheet is greater or less than \$12,000. As of September 30, 1999, the estimated working capital adjustment to be paid by the Company is \$33,053.

During the nine months ended September 30, 1999, the company completed 45 additional acquisitions of outdoor advertising and transit assets for an aggregate cash purchase price of approximately \$61,000 and the issuance of 135,734 shares of Class A common stock valued at approximately \$5,300.

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

Each of these acquisitions were accounted for under the purchase method of accounting, and, accordingly, the accompanying financial statements include the results of operations of each acquired entity from the date of acquisition. The purchase price has been allocated to assets acquired and liabilities assumed based on fair market value at the dates of acquisition. The following is a summary of the allocation of the purchase price in the above transactions.

	Current Assets	Property Plant & Equipment	Goodwill	Other Intangibles	Other Assets	Current Liabilities	Long-term Liabilities
	-----	-----	-----	-----	-----	-----	-----
American Displays	87	899	10,532	3,277	--	(284)	--
KJS, LLC	46	9,468	30,543	4,489	--	(2,079)	(1,921)
Frank Hardie	187	6,595	10,451	3,630	--	(525)	--
Vivid, Inc.	357	8,402	9,830	4,085	--	(593)	--
Chancellor	55,997	642,210	784,513	293,748	169	(19,829)	(106,102)
Other	265	16,098	46,835	6,472	--	(1,271)	(1,880)
	-----	-----	-----	-----	-----	-----	-----
	56,939	683,672	892,704	315,701	169	(24,581)	(109,903)
	=====	=====	=====	=====	=====	=====	=====

Summarized below are certain unaudited pro forma statements of operations data as if each of the above acquisitions and the acquisitions occurring in 1998, which were fully described in the Company's December 31, 1998 Annual Report on Form 10-K, had been consummated as of January 1, 1998. This pro forma information does not purport to represent what the Company's results of operations actually would have been had such transactions occurred on the date specified or to project the Company's results of operations for any future periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
	----	----	----	----
Revenues, net	\$ 156,025	\$ 146,722	\$ 452,063	\$ 429,994
	=====	=====	=====	=====
Loss before extraordinary items	\$ (17,481)	\$ (21,683)	\$ (67,602)	\$ (70,580)
	=====	=====	=====	=====
Net loss applicable to common stock	\$ (17,754)	\$ (21,774)	\$ (68,916)	\$ (70,945)
	=====	=====	=====	=====
Net loss per common share - basic	\$ (0.20)	\$ (0.40)	\$ (0.79)	\$ (1.41)
	=====	=====	=====	=====
Net loss per common share - diluted	\$ (0.20)	\$ (0.40)	\$ (0.79)	\$ (1.41)
	=====	=====	=====	=====

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

3. Long-term debt

In August 1999, the Company replaced its existing bank credit facility with a new bank credit facility under which The Chase Manhattan Bank serves as administrative agent. The new \$1,000,000 bank credit facility consists of (1) a \$350,000 revolving bank credit facility and (2) a \$650,000 term facility with two tranches, a \$450,000 Term A facility and a \$200,000 Term B facility. As a result of the holding company reorganization completed on July 20, 1999 and explained in footnote 5, the existing bank credit facility and the new bank credit facility are obligations of Lamar Media Corp., a wholly owned subsidiary, and not Lamar Advertising Company. As of September 30, 1999, the Company had borrowings under this agreement of \$757,000.

On August 10, 1999, Lamar Advertising Company, the new holding company, completed an offering of \$287,500 5 1/4% Convertible Notes due 2006. The net proceeds of approximately \$279,594 of the convertible notes were used to pay down existing bank debt.

In connection with the reorganization of Lamar Advertising Company into a new holding company structure, Lamar Media Corp. (formerly known as Lamar Advertising Company) made a change of control tender offer to the holders of its 9 1/4% Senior Subordinated Notes due 2007 in aggregate principal amount of approximately \$103,900. Pursuant to the change of control tender offer and in accordance with the Indenture, Lamar Media Corp. offered to repurchase the Notes for 101% of the principal amount plus accrued interest. A total of \$29,876 aggregate principal amount of Notes were tendered for payment on August 19, 1999, and the related 1% prepayment penalty is reflected as an extraordinary item in the Company's income statement, net of tax.

The Company's obligations with respect to its publicly issued notes are not guaranteed by the Company's direct or indirect wholly-owned subsidiaries. Certain obligations of the Company's wholly-owned subsidiary, Lamar Media Corp. are guaranteed by its subsidiaries. For a detailed description of these guarantees see Lamar Media Corp.'s quarterly report on Form 10-Q.

4. Preferred Stock

On July 16, 1999, the Board of Directors amended the Preferred Stock of the Company by designating 5,720 shares of the 1,000,000 shares of previously undesignated Preferred Stock, par value \$.001 as "Series AA Preferred Stock". The previously issued Class A Preferred Stock par value \$638 was exchanged for the new Series AA Preferred Stock. The new Series AA Preferred Stock have the same liquidation preferences, dividends and other rights as the previously issued Class A Preferred Stock. The new shares of Series AA Preferred Stock, however, are entitled to one vote per share.

5. New Holding Company

On July 20, 1999, the Company reorganized into a new holding company structure. As a result of this reorganization (1) the former Lamar Advertising Company became a wholly owned subsidiary of a newly formed holding company, (2) the name of the former Lamar Advertising Company was changed to Lamar Media Corp., (3) the name of the new holding company became Lamar Advertising Company, (4) the outstanding shares of capital stock of the former Lamar Advertising Company, including the Class A common

LAMAR ADVERTISING COMPANY AND  
SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

stock, were automatically converted, on a share for share basis, into identical shares of capital stock of the new holding company and (5) the Class A common stock of the new holding company commenced trading on the Nasdaq National Market under the symbol "LAMR" instead of the Class A common stock of the former Lamar Advertising Company. In addition, following the holding company reorganization, substantially all of the former Lamar Advertising Company's debt obligations, including the bank credit facility and other long-term debt remained the obligations of Lamar Media Corp. Under Delaware law, the reorganization did not require the approval of the stockholders of the former Lamar Advertising Company. The purpose of the reorganization was to provide Lamar Advertising Company with a more flexible capital structure and to enhance its financing options. The business operations of the former Lamar Advertising Company and its subsidiaries will not change as a result of the reorganization.

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

The following is a discussion of the consolidated financial condition and results of operations of the Company for the nine month and three month periods ended September 30, 1999 and 1998. This discussion should be read in conjunction with the consolidated financial statements of the Company and the related notes.

The following discussion is a summary of the key factors management considers necessary in reviewing the Company's results of operations, liquidity and capital resources. The future operating results of the Company may differ materially from the results described below. For a discussion of certain factors which may affect the Company's future operating performance, please refer to Exhibit 99.1 hereto entitled "Factors Affecting Future Operating Results".

RESULTS OF OPERATIONS

Nine Months Ended September 30, 1999 Compared to Nine Months Ended September 30, 1998

Net revenues increased \$93.0 million or 46.1% to \$294.6 million for the nine months ended September 30, 1999 as compared to the same period in 1998. This increase was attributable to the Company's acquisitions during 1998 and 1999 and internal growth within the Company's existing markets.

Operating expenses, exclusive of depreciation and amortization, increased \$49.6 million or 46.0% for the nine months ended September 30, 1999 as compared to the same period in 1998. This was primarily the result of the additional operating expenses related to the operations of acquired outdoor advertising assets and the continued development of the logo sign program.

Depreciation and amortization expense increased \$47.5 million or 82.6% from \$57.5 million for the nine months ended September 30, 1998 to \$105.0 million for the nine months ended September 30, 1999 as a result of an increase in capitalized assets resulting from the Company's recent acquisition activity.

Due to the above factors, operating income decreased \$4.1 million or 11.3% to \$32.2 million for nine months ended September 30, 1999 from \$36.3 million for the same period in 1998.

Interest income increased \$.7 million as a result of earnings on excess cash investments made during the nine months ended September 30, 1999 as compared to the same period in 1998 due to proceeds from a public offering of the Company's Class A common stock in December, 1998. Interest expense increased \$18.1 million from \$39.4 million for the nine months ended September 30, 1998 to \$57.5 million for the same period in 1999 as a result of additional borrowings under the Company's bank credit facility to fund increased acquisition activity and the issuance of \$287.5 million convertible notes in August 1999.

There was an income tax benefit of \$.4 million for the nine months ended September 30, 1999 as compared to an income tax expense of \$.8 million for the same period in 1998. The effective tax rate for the nine months ended September 30, 1999 is approximately 2.0% which is less than statutory rates due to permanent differences resulting from non-deductible amortization of goodwill.

An extraordinary loss on debt extinguishment of \$.2 million was incurred during the nine months ended September 30, 1999, as a result of the extinguishment of a portion of the Company's 9 1/4% Senior Subordinated notes due 2007 in connection with a change of control tender offer in July, 1999.

Due to the adoption of SOP 98-5 "Reporting on the Costs of Start-Up Activities" which requires costs of start-up activities and organization costs to be expensed as incurred, the Company recognized an expense of \$.8 million as a cumulative effect of a change in accounting principle. This expense is a one time adjustment to recognize start-up activities and organization costs that were capitalized in prior periods.

As a result of the above factors, the Company recognized a net loss for the nine months ended September 30, 1999 of \$19.2 million, as compared to a net loss of \$4.0 million for the same period in 1998.

Three Months Ended September 30, 1999 Compared to Three Months Ended September 30, 1998

Revenues for the three months ended September 30, 1999 increased \$37.5 million or 51.0% to \$111.0 million from \$73.5 million for the same period in 1998.

Operating expenses, exclusive of depreciation and amortization, for the three months ended September 30, 1999 increased \$19.2 million or 51.6% over the same period in 1998.

Depreciation and amortization expense increased \$20.3 million or 99.9% from \$20.4 million for three months ended September 30, 1998 to \$40.7 million for the three months ended September 30, 1999.

Operating income decreased \$2.0 million or 12.9% to \$13.9 million for the three months ended September 30, 1999 as compared to \$15.9 million for the same period in 1998.

Interest expense increased \$9.0 million from \$12.1 million for the three months ended September 30, 1998 to \$21.1 million for the same period in 1999.

The Company recognized a net loss for the three months ended September 30, 1999 of \$3.5 million.

The results for the three months ended September 30, 1999 were affected by the same factors as the nine months ended September 30, 1999. Reference is made to the discussion of the nine month results.

#### LIQUIDITY AND CAPITAL RESOURCES

The Company has historically satisfied its working capital requirements with cash from operations and revolving credit borrowings. Its acquisitions have been financed primarily with borrowed funds and the issuance of debt and equity securities.

During the nine months ended September 30, 1999, the Company financed its acquisition activity of approximately \$1.8 billion with remaining proceeds from the December, 1998 equity offering, borrowings under the Company's bank credit facility and the issuance of approximately 26.4 million shares of common stock. At September 30, 1999, following these acquisitions, the Company had \$243 million available under the revolving bank credit facility.

The Company's net cash provided by operating activities increased \$9.8 million from \$55.5 million for the nine months ended September 30, 1998 to \$65.3 million for the nine months ended September 30, 1999 due primarily to an increase in noncash items of \$35.7 million, which includes an increase in depreciation and amortization of \$47.5 million offset by an increase in gain on disposition of assets of \$6.1 million and a decrease

in deferred taxes of \$7.2 million. The increase in noncash items was offset by a decrease in net earnings of \$15.1 million, an increase in receivables of \$7.3 million and a decrease in deferred income of \$7.5 million. Net cash used in investing activities increased \$622.7 million from \$260.1 million for the nine months ended September 30, 1998 to \$882.8 million for the same period in 1999. This increase was due to a \$610.9 million increase in acquisition of outdoor advertising assets and an increase in capital expenditures of \$13.0 million. Net cash provided by financing activities for the nine months ended September 30, 1999 is \$699.6 million due to \$507.0 million in net borrowings under credit agreements which was used primarily to finance acquisitions, \$279.6 million in net proceeds from the Company's August 1999 offering of 5 1/4% Convertible Notes due 2006, and \$3.9 million in net proceeds from issuance of common stock under the Company's 1996 Equity Incentive Plan offset by \$78.0 million in principal payments on long-term debt which consists of scheduled debt service and the payment of approximately \$45.0 million in notes to the three principal shareholders of Outdoor Communications, Inc. which was purchased by the Company in October, 1998, and \$12.5 million in debt issuance costs primarily related to the new bank credit agreement.

In August 1999, Lamar Media Corp. entered into a new bank credit agreement, replacing its existing bank credit facility, with The Chase Manhattan Bank serving as administrative agent. The new \$1 billion bank credit facility consists of (1) a \$350 million revolving bank credit facility, (2) a \$650 million term facility with two tranches, a \$450 million Term A facility and a \$200 million Term B facility. In addition, the new bank credit facility provides for an uncommitted \$400 million incremental facility available at the discretion of the lenders. As a result of the holding company reorganization completed on July 20, 1999 and explained in footnote 5, the new bank credit facility is an obligation of Lamar Media Corp., a wholly owned subsidiary, and not Lamar Advertising Company.

In August 1999 the Company completed an offering of \$287.5 million of 5 1/4% Convertible Notes due 2006. The net proceeds of approximately \$279.6 million of the convertible notes were used to pay existing bank debt. The convertible notes are convertible into Lamar Advertising Company Class A common stock at an initial conversion price of \$46.25 per share.

On September 15, 1999, the Company financed the cash portion of the purchase price for the acquisition of Chancellor Outdoor with a \$50.0 million draw under the revolving credit facility and a \$650.0 million draw under Lamar Media's term facility. The Company also issued 26,227,273 shares of the Company's Class A common stock.

#### Elimination of Tobacco Advertising

By the end of April, 1999, the Company had removed all of its outdoor advertising of tobacco products in connection with settlements the states had reached with the U.S. tobacco companies. Because of these settlements, the Company's tobacco revenues as a percentage of consolidated net revenue have declined from 7% for the 12 months ended December 31, 1998 to 3% for the nine months ended September 30, 1999. When displays formerly occupied by tobacco advertisers have become available in the recent past, the Company has been able to attract substitute advertising for the unoccupied space on comparable or more favorable terms. While both of these trends are positive, the Company cannot guarantee that it will be able to attract substitute advertising to occupy the displays which will become unoccupied, or that substitute advertisers will pay rates as favorable to the Company as those paid by tobacco advertisers. If the Company is unable to continue to replace tobacco advertising, the resulting increase in available inventory could cause the Company to reduce its rates or limit the Company's ability to raise rates. In addition, the Company cannot guarantee that substitute advertisers will pay rates as favorable to the Company as those paid by tobacco advertisers.

The year 2000 issue is the result of the development of computer programs and systems using two digits rather than four digits to define the applicable year. Computer programs and equipment with time-sensitive software may recognize the date using "00" as the year 1900 rather than the year 2000. The year 2000 date recognition problem could cause the Company's computer systems to fail, resulting in miscalculations and incorrect data causing disruption to business operations.

The Company has conducted an assessment of its software and related systems and believes they are year 2000 compliant. The Company's year 2000 effort also included communication with significant third party vendors and customers to determine the extent to which the Company's systems are vulnerable to those parties' failure to reach year 2000 compliance.

The Company cannot assure you that the Company's customers, suppliers and other third parties that the Company deals with are or will be year 2000 compliant in a timely manner. Interruptions in services provided to the Company or in the purchases made by these third parties could also disrupt the Company's operations. Parties affected by a disruption in the Company's operations and services could make claims or bring lawsuits against the Company. Depending upon the extent and duration of any disruptions caused by the year 2000 problem and the specific services affected, these disruptions could have an adverse affect on the Company's business.

ITEM 3.

#### QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Company is exposed to interest rate risk in connection with variable rate debt instruments issued by the Company. The Company does not enter into market risk sensitive instruments for trading purposes. The information below summarizes the Company's interest rate risk associated with its principal variable rate debt instruments outstanding at September 30, 1999.

Loans under Lamar Media's bank credit facility bear interest at variable rates equal to the Chase Prime Rate or LIBOR plus the applicable margin. Because the Chase Prime Rate or LIBOR may increase or decrease at any time, the Company is exposed to market risk as a result of the impact that changes in these base rates may have on the interest rate applicable to borrowings under the bank credit facility. Increases in the interest rates applicable to borrowings under the bank credit facility would result in increased interest expense and a reduction in the Company's net income and after tax cash flow.

At September 30, 1999, there was approximately \$757 million of aggregate indebtedness outstanding under Lamar Media's bank credit facility, or approximately 47.5% of the Company's outstanding long-term debt on that date, bearing interest at variable rates. The aggregate interest expense for the nine months ended September 30, 1999 with respect to borrowings under the bank credit facility was \$14.5 million, and the weighted average interest rate applicable to borrowings under these credit facilities during the nine months ended September 30, 1999 was 6.9%. Assuming that the weighted average interest rate was 200-basis points higher (that is 8.9% rather than 6.9%), then the Company's 1999 interest expense would have been approximately \$4.2 million higher resulting in a \$2.5 million decrease in the Company's nine months ended September 30, 1999 net income and after tax cash flow.

The Company attempts to mitigate the interest rate risk resulting from its variable interest rate long-term debt instruments by also issuing fixed rate long-term debt

instruments and maintaining a balance over time between the amount of the Company's variable rate and fixed rate indebtedness. In addition, the Company has the capability under the bank credit facility to fix the interest rates applicable to its borrowings at an amount equal to LIBOR plus the applicable margin for periods of up to twelve months, which would allow the Company to mitigate the impact of short-term fluctuations in market interest rates. In the event of an increase in interest rates, the Company may take further actions to mitigate its exposure. The Company cannot guarantee, however, that the actions that it may take to mitigate this risk will be feasible or that, if these actions are taken, that they will be effective.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

A written consent of stockholders was executed on September 14, 1999 by The Reilly Family Limited Partnership (the "RFLP") in lieu of a special meeting of the Company's stockholders to approve the issuance of the Company's Class A common stock in connection with the purchase by Lamar Media of all of the outstanding common stock of Chancellor Outdoor for a combination of \$700 million in cash and 26,227,273 shares of the Company's Class A common stock. The RFLP holds all of the Class B common stock of the Company which represented approximately 80% of the voting power of the Company at the time the consent was executed. The Company furnished information regarding this transaction in a Definitive Information Statement pursuant to Section 14(c) of the Securities Exchange Act of 1934 which was distributed to its stockholders and filed with the Commission on August 13, 1999.

PART II - OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

See Item 1, Financial Statements, Note 5, which is incorporated herein by reference.

ITEM 5. OTHER INFORMATION.

The annual meeting of stockholders of the Company will be held on Thursday, May 25, 2000.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

- Exhibit 2.1 Agreement and Plan of Merger dated as of July 20, 1999, among the Company, Lamar Media and Lamar Holdings Merge Co. Previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 22, 1999 (File No. 0-30242) and incorporated herein by reference.
- Exhibit 3.1 Certificate of Incorporation of Lamar New Holding Co. Previously filed as exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.
- Exhibit 3.2 Certificate of Amendment of Certificate of Incorporation of Lamar New Holding Co. (whereby the name of Lamar New Holding

Co. was changed to Lamar Advertising Company). Previously filed as exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.

- Exhibit 3.3 Amended and Restated Bylaws. Previously filed as exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.
- Exhibit 4.1 Supplemental Indenture to the Indenture dated November 15, 1996 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated July 20, 1999. Filed herewith.
- Exhibit 4.2 Supplemental Indenture to the Indenture dated September 25, 1997 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated September 15, 1999. Filed herewith.
- Exhibit 4.3 Supplemental Indenture to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee, dated September 15, 1999. Filed herewith.
- Exhibit 4.4 Supplemental Indenture to the Indenture dated September 25, 1997 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated July 20, 1999. Filed herewith.
- Exhibit 4.5 Supplemental Indenture to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee, dated July 20, 1999. Filed herewith.
- Exhibit 4.6 Supplemental Indenture to the Indenture dated November 15, 1996 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated September 15, 1999. Filed herewith.
- Exhibit 4.7 Supplemental Indentures to the Indenture dated September 25, 1997 among the Company, certain of its subsidiaries and State Street Bank and Trust Company, as Trustee. Filed herewith.
- Exhibit 4.8 Supplemental Indentures to the Indenture dated November 15, 1996 among the Company, certain of its subsidiaries and State Street Bank and Trust Company, as Trustee. Filed herewith.
- Exhibit 4.9 Supplemental Indentures to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee. Filed herewith.
- Exhibit 10.1 Bank Credit Agreement dated August 13, 1999, between Lamar Media Corp., certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Filed herewith.

- Exhibit 10.2 Stockholders Agreement dated as of September 15, 1999 by and among the Company, Chancellor Media Corporation of Los Angeles, Chancellor Mezzanine Holdings Corporation and the Reilly Family Limited Partnership. Filed herewith.
- Exhibit 10.3 Registration Rights Agreement dated as of September 15, 1999 among the Company, Chancellor Media Corporation of Los Angeles and Chancellor Mezzanine Holdings Corporation. Filed herewith.
- Exhibit 10.4 Assumption Agreement dated as of July 20, 1999 by and among the Company, Lamar Media Corp., and the direct and indirect subsidiaries of such corporations. Filed herewith.
- Exhibit 27.1 Financial Data Schedule. Filed herewith.
- Exhibit 99.1 Factors Affecting Future Operating Results. Filed herewith.

(b) Reports on Form 8-K

Reports on Form 8-K were filed with the Commission during the third quarter of 1999 to report the following items as of the dates indicated:

On July 7, 1999, the Company filed a report on Form 8-K to furnish Financial Statements and Pro Forma Financial Statements for Chancellor Media Outdoor Corporation ("Chancellor Outdoor") and its predecessor companies, the outdoor advertising division of Whiteco Industries, Inc. ("Whiteco"), Martin Media L.P. ("Martin Media") and Martin & MacFarlane, Inc. ("Martin & MacFarlane"), which the Company acquired as of September 15, 1999. The Company filed as exhibits (1) the consolidated balance sheets of Chancellor Outdoor as of December 31, 1998 and March 31, 1999 and consolidated statements of operations, equity and cash flows for the period from July 22, 1998 to December 31, 1998 and the three months ended March 31, 1999 (2) the statements of income, divisional equity and cash flows of Whiteco for the eleven months ended November 30, 1998; balance sheets of Whiteco as of December 31, 1996 and 1997; and statements of income and cash flows for the years ended December 31, 1995, 1996, and 1997 (3) the statements of operations, partners' capital and cash flows of Martin Media for the seven months ended July 31, 1998; balance sheets of Martin Media as of December 31, 1996 and 1997; and statements of operations, partners' capital (deficit) and cash flows of Martin Media for each of the years ended December 31, 1995, 1996 and 1997 (4) the statements of operations, retained earnings and cash flows of Martin & MacFarlane for the seven months ended July 31, 1998; balance sheets of Martin & MacFarlane as of December 31, 1996 and 1997; statements of income, retained earnings and cash flows for the six-month period ended December 31, 1995 and each of the years ended December 31, 1996 and 1997; balance sheet of Martin & MacFarlane as of June 30, 1995; and statements of income, retained earnings and cash flows of Martin & MacFarlane for the year ended June 30, 1995. The Company also filed as exhibits unaudited pro forma condensed consolidated statements of operations of the Company for the year ended December 31, 1998 and the three months ended March 31, 1999; and unaudited pro forma condensed consolidated balance sheet of the Company as of March 31, 1999.

On July 22, 1999, the Company filed a report on Form 8-K in order to furnish certain exhibits related to the Company's reorganization. The Company filed an Agreement and Plan of Merger dated as of July 20, 1999

among the Company, Lamar New Holding Co., and Lamar Holdings Merge Co. as exhibit 2.1, and a press release issued by the registrant on July 21, 1999 as exhibit 99.1.

On July 26, 1999, the Company filed a report on Form 8-K/A to correct a typographical error in "Item 5. Other Events" in the 8-K originally filed on July 22, 1999.

On July 28, 1999, the Company filed a report on Form 8-K announcing that it had commenced a public offering of \$250,000,000 of convertible notes and filed the related press release as exhibit 99.1.

On August 3, 1999, the Company filed a report on Form 8-K announcing its operating results for the second quarter ended June 30, 1999 and filed the related press release as exhibit 99.1.

On August 5, 1999, the Company filed a report on Form 8-K announcing that it had agreed to sell \$250,000,000 of Convertible Notes through Goldman Sachs & Co., Deutsche Banc Alex. Brown, Morgan Stanley Dean Witter and Salomon Smith Barney as underwriters and filed the related press release as exhibit 99.1.

On August 6, 1999, the Company filed two reports on Form 8-K in order to furnish certain exhibits for incorporation by reference into two Registration Statements on Form S-3 of the Company previously filed with Securities and Exchange Commission (File Nos. 333-71929 and 333-50559), which Registration Statements were declared effective by the Commission on February 12, 1999 and April 28, 1998, respectively. The Company filed with respect to each Registration Statement (i) an Underwriting Agreement dated August 4, 1999 among the Company, Goldman, Sachs & Co., Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated and Salomon Smith Barney Inc, (ii) an opinion of Palmer & Dodge LLP, counsel to the Company, regarding the validity of certain convertible notes to be sold by the Company pursuant to such Underwriting Agreement and shares of the Company's Class A Common Stock, \$.001 par value per share issuable upon conversion of such notes; (iii) an opinion of Sullivan & Cromwell, counsel to the Underwriters, regarding the validity of the securities to be sold by the Company pursuant to such Underwriting Agreement; (iv) a Form of Indenture to be dated as of August 10, 1999 between the Company and State Street Bank and Trust Company, as Trustee; (v) a Form of First Supplemental Indenture to be dated as of August 10, 1999 between the Company and State Street Bank and Trust Company, as Trustee; and (vi) a Statement of Eligibility of Trustee on Form T-1 by State Street Bank and Trust Company.

On August 10, 1999, the Company filed a report on Form 8-K announcing that it had completed the sale of \$250,000,000 of Convertible Notes through Goldman Sachs & Co., Deutsche Banc Alex. Brown, Morgan Stanley Dean Witter and Salomon Smith Barney as underwriters and filed the related press release as exhibit 99.1.

On August 17, 1999, the Company filed a report on Form 8-K announcing that it had completed the sale of an additional \$37,500,000 principal amount of convertible notes in a public offering pursuant to the exercise of the underwriters' over-allotment option and filed the related press release as exhibit 99.1.

On August 20, 1999, the Company filed a report on Form 8-K announcing that as a result of the holding company reorganization on July 20, 1999, the Company is a successor issuer to Old Lamar Advertising, and pursuant to Rule 12g-3(a) of the Securities Exchange Act of 1934, the Class A common stock of the Company is deemed to be registered under Section 12(g) of the Securities Exchange Act of 1934 instead of the Class A common stock of Old Lamar Advertising. "Old Lamar Advertising Company" refers to the company which was formerly known as "Lamar Advertising Company" prior to the holding company reorganization and which changed its name to "Lamar Media Corp." in connection with the holding company reorganization.

On August 25, 1999, the Company filed a report on Form 8-K announcing that in connection with the reorganization of Lamar Advertising Company into a new holding company structure, Lamar Media Corp. (formerly known as Lamar Advertising Company) made a change of control tender offer to the holders of its 9 1/4% Senior Subordinated Notes due 2007 in aggregate principal amount of approximately \$103,900,000 issued pursuant to an Indenture dated August 15, 1997, by and among Outdoor Communications, Inc., a company acquired by Lamar whose obligations under the Notes were assumed, certain guarantors under the Indenture and the First Union National Bank as Trustee. Pursuant to the change of control tender offer and in accordance with the Indenture, Lamar Media Corp. offered to repurchase the Notes for 101% of the principal amount plus accrued interest up to but excluding the payment date of August 19, 1999.

#### SIGNATURES

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

LAMAR ADVERTISING COMPANY

DATED: November 11, 1999

BY: /s/ Keith Istre

-----  
 Keith A. Istre  
 Chief Financial and Accounting  
 Officer and Director

## INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
2.1	Agreement and Plan of Merger dated as of July 20, 1999, among the Company, Lamar Media and Lamar Holdings Merge Co. previously filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on July 22, 1999 (File No. 0-30242) and incorporated herein by reference.
3.1	Certificate of Incorporation of Lamar New Holding Co. Previously filed as exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.
3.2	Certificate of Amendment of Certificate of Incorporation of Lamar New Holding Co. (whereby the name of Lamar New Holding Co. was changed to Lamar Advertising Company). Previously filed as exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.
3.3	Amended and Restated Bylaws. Previously filed as exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 0-20833) filed on August 16, 1999 and incorporated herein by reference.
4.1	Supplemental Indenture to the Indenture dated November 15, 1996 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated July 20, 1999. Filed herewith.
4.2	Supplemental Indenture to the Indenture dated September 25, 1997 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated September 15, 1999. Filed herewith.
4.3	Supplemental Indenture to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee, dated September 15, 1999. Filed herewith.
4.4	Supplemental Indenture to the Indenture dated September 25, 1997 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated July 20, 1999. Filed herewith.
4.5	Supplemental Indenture to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee, dated July 20, 1999. Filed herewith.
4.6	Supplemental Indenture to the Indenture dated November 15, 1996 among Lamar Media Corp., certain of its subsidiaries and State Street Bank and Trust Company, as Trustee, dated September 15, 1999. Filed herewith.

- 4.7 Supplemental Indentures to the Indenture dated September 25, 1997 among the Company, certain of its subsidiaries and State Street Bank and Trust Company, as Trustee. Filed herewith.
- 4.8 Supplemental Indentures to the Indenture dated November 15, 1996 among the Company, certain of its subsidiaries and State Street Bank and Trust Company, as Trustee. Filed herewith.
- 4.9 Supplemental Indentures to the Indenture dated August 15, 1997 among Outdoor Communications, Inc., certain of its subsidiaries and First Union National Bank, as Trustee. Filed herewith.
- 10.1 Bank Credit Agreement dated August 13, 1999, between Lamar Media Corp., certain of its subsidiaries, the lenders party thereto and The Chase Manhattan Bank, as administrative agent. Filed herewith.
- 10.2 Stockholders Agreement dated as of September 15, 1999 by and among the Company, Chancellor Media Corporation of Los Angeles, Chancellor Mezzanine Holdings Corporation and the Reilly Family Limited Partnership. Filed herewith.
- 10.3 Registration Rights Agreement dated as of September 15, 1999 among the Company, Chancellor Media Corporation of Los Angeles and Chancellor Mezzanine Holdings Corporation. Filed herewith.
- 10.4 Assumption Agreement dated as of July 20, 1999 by and among the Company, Lamar Media Corp., and the direct and indirect subsidiaries of such corporations. Filed herewith.
- 27.1 Financial Data Schedule. Filed herewith.
- 99.1 Factors Affecting Future Operating Results. Filed herewith.

## LAMAR MEDIA CORP.

## SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE dated as of July 20, 1999, is delivered pursuant to Section 5.01 of the Indenture dated as of November 15, 1996 (as heretofore or hereafter modified and supplemented and in effect from time to time, (the "1996 Indenture") among LAMAR ADVERTISING COMPANY. ("the Company"), a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK & TRUST COMPANY, a trust company organized under the laws of the Commonwealth of Massachusetts, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the 1996 Indenture).

The undersigned hereby agrees that:

1. Lamar Advertising Company has caused Lamar Holdings Merge Co. to merge into Lamar Advertising Company under the laws of the State of Delaware ("Merger") and incident thereto caused the name of Lamar Advertising Company to be changed to Lamar Media Corp.

2. Lamar Media Corp., being the Surviving Entity under the Merger as provided under the 1996 Indenture, continues to be a corporation organized and existing under the laws of the State of Delaware.

3. The Surviving Entity ratifies and confirms its obligations as the "Company" under the 1996 Indenture and the securities issued thereunder.

4. Lamar Media Corp. hereby represents and warrants that the representations and warranties set forth in the 1996 Indenture as amended by this Supplemental Indenture are correct on and as of the date hereof.

5. The Guarantors of the Indenture, being the subsidiaries of the Surviving Entities listed below, hereby confirm and ratify their Guarantees of the 1996 Indenture and the Securities issued thereunder and acknowledge that their Guarantees will continue to apply to the obligations of the Company under the 1996 Indenture.

6. All notices, requests and other communications provided for in the 1996 Indenture should be delivered to the respective parties hereto at the following address:

Lamar Media Corp.  
 Attn: Mr. Keith A. Istre  
 Vice President - Finance  
 P.O. Box 66338  
 Baton Rouge, LA 70896

7. A counterpart of this Supplemental Indenture may be attached to any counterpart of the 1996 Indenture.

8. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

LAMAR MEDIA CORP.  
 INTERSTATE LOGOS, INC.  
 THE LAMAR CORPORATION  
 LAMAR ADVERTISING OF MOBILE, INC.  
 LAMAR ADVERTISING OF COLORADO  
 SPRINGS, INC.  
 LAMAR ADVERTISING OF SOUTH  
 MISSISSIPPI, INC.  
 LAMAR ADVERTISING OF JACKSON, INC.  
 LAMAR TEXAS GENERAL PARTNER, INC.  
 LAMAR ADVERTISING OF SOUTH  
 GEORGIA, INC.  
 TLC PROPERTIES, INC.  
 TLC PROPERTIES, II, INC.  
 LAMAR PENSACOLA TRANSIT, INC.  
 LAMAR ADVERTISING OF  
 YOUNGSTOWN, INC.  
 NEBRASKA LOGOS, INC.  
 OKLAHOMA LOGO SIGNS, INC.  
 MISSOURI LOGOS, INC.  
 OHIO LOGOS, INC.  
 UTAH LOGOS, INC.  
 TEXAS LOGOS, INC.  
 MISSISSIPPI LOGOS, INC.  
 GEORGIA LOGOS, INC.  
 SOUTH CAROLINA LOGOS, INC.  
 VIRGINIA LOGOS, INC.  
 MINNESOTA LOGOS, INC.  
 MICHIGAN LOGOS, INC.  
 NEW JERSEY LOGOS, INC.

FLORIDA LOGOS, INC.  
KENTUCKY LOGOS, INC.  
NEVADA LOGOS, INC.  
TENNESSEE LOGOS, INC.  
KANSAS LOGOS, INC.  
COLORADO LOGOS, INC.  
NEW MEXICO LOGOS, INC.  
LAMAR ADVERTISING OF HUNTINGTON-  
BRIDGEPORT, INC.  
LAMAR ADVERTISING OF PENN, INC.  
LAMAR ADVERTISING OF  
MISSOURI, INC.  
LAMAR ADVERTISING OF  
MICHIGAN, INC.  
LAMAR ELECTRICAL, INC.  
LAMAR ADVERTISING OF  
SOUTH DAKOTA, INC.  
LAMAR ADVERTISING OF WEST VIRGINIA, INC.  
LAMAR ADVERTISING OF  
ASHLAND, INC.  
AMERICAN SIGNS, INC.  
LAMAR OCI NORTH CORPORATION  
LAMAR OCI SOUTH CORPORATION  
LAMAR ADVERTISING OF  
GREENVILLE, INC.  
LAMAR ROBINSON, INC.  
LAMAR ADVERTISING OF  
KENTUCKY, INC.  
LAMAR ADVERTISING OF ROLAND, INC.

By: /s/ Keith Istre  
-----  
Keith Istre, Vice President - Financial

LAMAR TEXAS LIMITED  
PARTNERSHIP By Lamar Texas  
General Partner, Inc.  
Its general partner

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

LAMAR TENNESSEE, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

LAMAR AIR, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

TLC PROPERTIES, L.L.C.  
By TLC Properties, Inc., its manager

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

Attest:

By: /s/ James McIlwain  
-----  
James McIlwain, Secretary

Accepted:

STATE STREET BANK & TRUST COMPANY, as Trustee

By: /s/ Andrew Sinasky  
-----  
Title: Assistant Vice President  
-----

## SUPPLEMENTAL INDENTURE

OF

GUARANTORS

THIS SUPPLEMENTAL INDENTURE dated as of September 15, 1999, is delivered pursuant to Section 10.04 of the Indenture dated as of September 25, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "Indenture") among LAMAR MEDIA CORP., a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the Indenture).

The undersigned hereby agree that:

1. The undersigned are Guarantors under the Indenture with all of the rights and obligations of Guarantors thereunder.
2. The undersigned hereby grants, ratifies and confirms the guarantee provided for by Article Ten of the Indenture to guarantee unconditionally, jointly and severally with the other Guarantors, to each Holder of a Note authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of (and premium, if any) and interest on such Note when and as the same shall become due and payable.
3. The undersigned hereby represents and warrants that the representations and warranties set forth in the Indenture, to the extent relating to the undersigned as Guarantor, are correct on and as of the date hereof.
4. All notices, requests and other communications provided for in the Indenture should be delivered to the undersigned at the address specified in Section 12.02 of the Indenture.
5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the Indenture.
6. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

- LAMAR MW SIGN CORP.
- LAMAR MARTIN CORPORATION
- LAMAR NEVADA SIGN CORPORATION
- LAMAR OUTDOOR CORPORATION
- LAMAR WHITECO OUTDOOR CORPORATION
- DOWLING COMPANY, INCORPORATED
- HARDIN DEVELOPMENT CORPORATION
- LINDSAY OUTDOOR ADVERTISING INC
- PARSONS DEVELOPMENT COMPANY
- REVOLUTION OUTDOOR ADVERTISING, INC.
- SCENIC OUTDOOR MARKETING & CONSULTING INC.
- WESTERN POSTER SERVICE, INC.

By: /s/ Keith A. Istre  
 -----  
 Keith A. Istre  
 Vice President - Finance and  
 Chief Financial Officer

LAMAR WEST, L.P.

By: Lamar MW Sign Corp.,  
Its General Partner

By: /s/ Keith A. Istre  
 -----  
 Keith A. Istre  
 Vice President - Finance and  
 Chief Financial Officer

OUTDOOR PROMOTIONS WEST, LLC  
TRANSIT AMERICA LAS VEGAS, L.L.C.  
TRIUMPH OUTDOOR LOUISIANA, LLC  
TRIUMPH OUTDOOR RHODE ISLAND, LLC

By: Triumph Outdoor Holdings, LLC, its manager  
By: Lamar Outdoor Corporation, its manager

By: /s/ Keith A. Istre  
-----  
Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer

TRIUMPH OUTDOOR HOLDINGS, LLC  
By: Lamar Outdoor Corporation, its manager

By: /s/ Keith A. Istre  
-----  
Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer

Attest:

By: /s/ James R. McIlwain  
-----  
James R. McIlwain, Secretary

Accepted:

STATE STREET BANK AND TRUST  
COMPANY, as Trustee

By: /s/ Andrew Sinasky  
-----  
Title: Assistant Vice President  
-----

## SUPPLEMENTAL INDENTURE

TO INDENTURE DATED AUGUST 15, 1997

THIS SUPPLEMENTAL INDENTURE dated as of September 15, 1999, is delivered pursuant to Section 4.11 of the Indenture dated as of August 15, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "1997 Indenture") among OUTDOOR COMMUNICATIONS, INC., a Delaware corporation, certain of its subsidiaries (the "Guarantors") and FIRST UNION NATIONAL BANK, a national banking corporation, as Trustee (the "Trustee") (all terms used herein without definition having the meanings ascribed to them in the 1997 Indenture).

The undersigned hereby agree that:

1. The undersigned are Guarantors under the 1997 Indenture with all of the rights and obligations of the Guarantors thereunder.

2. The undersigned have granted, ratified and confirmed, in the form and substance of Exhibit B to the 1997 Indenture, the Guarantee provided for by Article XI of the 1997 Indenture.

3. The undersigned hereby represent and warrant that the representations and warranties set forth in the 1997 Indenture, to the extent relating to the undersigned as Guarantors, are correct on and as of the date hereof.

4. All notices, requests and other communications provided for in the 1997 Indenture should be delivered to the undersigned at the following address:

Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer  
Lamar Media Corp. and its Subsidiaries  
5551 Corporate Blvd.  
Baton Rouge, LA 70808

5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the 1997 Indenture.

6. This Supplemental Indenture shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the undersigned have caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

- LAMAR MW SIGN CORPORATION
- LAMAR MARTIN CORPORATION
- LAMAR NEVADA SIGN CORPORATION
- LAMAR OUTDOOR CORPORATION
- LAMAR WHITECO OUTDOOR CORPORATION
- DOWLING COMPANY, INCORPORATED
- HARDIN DEVELOPMENT CORPORATION
- LINDSAY OUTDOOR ADVERTISING INC
- PARSONS DEVELOPMENT COMPANY
- REVOLUTION OUTDOOR ADVERTISING, INC.
- SCENIC OUTDOOR MARKETING & CONSULTING INC.
- WESTERN POSTER SERVICE, INC.

By: /s/ Keith A. Istre

-----  
 Keith A. Istre  
 Vice President - Finance and  
 Chief Financial Officer

LAMAR WEST, L.P.

By: Lamar MW Sign Corporation,  
 Its General Partner  
 By: /s/ Keith A. Istre

-----  
 Keith A. Istre  
 Vice President - Finance and  
 Chief Financial Officer

OUTDOOR PROMOTIONS WEST, LLC  
TRANSIT AMERICA LAS VEGAS, L.L.C.  
TRIUMPH OUTDOOR LOUISIANA, LLC  
TRIUMPH OUTDOOR RHODE ISLAND, LLC

By: Triumph Outdoor Holdings, LLC, its manager  
By: Lamar Outdoor Corporation, its manager

By: /s/ Keith A. Istre

-----  
Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer

TRIUMPH OUTDOOR HOLDINGS, LLC

By: Lamar Outdoor Corporation, its manager

By: /s/ Keith A. Istre

-----  
Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer

Attest:

By: /s/ James R. McIlwain

-----  
James R. McIlwain, Secretary

Accepted:

FIRST UNION NATIONAL BANK,  
as Trustee

By: /s/ Josie Gonot

-----  
Title: Assistant Vice President Corporate Trust Group  
-----

## LAMAR MEDIA CORP.

## SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE dated as of July 20, 1999, is delivered pursuant to Section 5.01 of the Indenture dated as of September 25, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, (the "1997 Indenture") among LAMAR ADVERTISING COMPANY. ("the Company"), a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK & TRUST COMPANY, a trust company organized under the laws of the Commonwealth of Massachusetts, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the 1997 Indenture).

The undersigned hereby agrees that:

1. Lamar Advertising Company has caused a subsidiary, Lamar Holdings Merge Co., to merge into Lamar Advertising Company under the laws of the State of Delaware ("Merger") and incident thereto caused the name of Lamar Advertising Company to be changed to Lamar Media Corp.

2. Lamar Media Corp., being the Surviving Entity under the Merger as provided under the 1997 Indenture, continues to be a corporation organized and existing under the laws of the State of Delaware.

3. The Surviving Entity ratifies and confirms its obligations as the "Company" under the 1997 Indenture and the securities issued thereunder.

4. Lamar Media Corp. hereby represents and warrants that the representations and warranties set forth in the 1997 Indenture as amended by this Supplemental Indenture are correct on and as of the date hereof.

5. The Guarantors of the Indenture, being the Subsidiaries of the Surviving Entity listed below, hereby confirm and ratify their Guarantees of the 1997 Indenture and the Securities issued thereunder and acknowledge that their Guarantees will continue to apply to the obligations of the Company under the 1997 Indenture.

6. All notices, requests and other communications provided for in the 1997 Indenture should be delivered to the respective parties hereto at the following address:

Lamar Media Corp.  
 Attn: Mr. Keith A. Istre  
 Vice President - Finance  
 P.O. Box 66338  
 Baton Rouge, LA 70896

7. A counterpart of this Supplemental Indenture may be attached to any counterpart of the 1997 Indenture.

8. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

LAMAR MEDIA CORP.  
 INTERSTATE LOGOS, INC.  
 THE LAMAR CORPORATION  
 LAMAR ADVERTISING OF MOBILE, INC.  
 LAMAR ADVERTISING OF COLORADO  
 SPRINGS, INC.  
 LAMAR ADVERTISING OF SOUTH  
 MISSISSIPPI, INC.  
 LAMAR ADVERTISING OF JACKSON, INC.  
 LAMAR TEXAS GENERAL PARTNER, INC.  
 LAMAR ADVERTISING OF SOUTH  
 GEORGIA, INC.  
 TLC PROPERTIES, INC.  
 TLC PROPERTIES, II, INC.  
 LAMAR PENSACOLA TRANSIT, INC.  
 LAMAR ADVERTISING OF  
 YOUNGSTOWN, INC.  
 NEBRASKA LOGOS, INC.  
 OKLAHOMA LOGO SIGNS, INC.  
 MISSOURI LOGOS, INC.  
 OHIO LOGOS, INC.  
 UTAH LOGOS, INC.  
 TEXAS LOGOS, INC.  
 MISSISSIPPI LOGOS, INC.  
 GEORGIA LOGOS, INC.  
 SOUTH CAROLINA LOGOS, INC.  
 VIRGINIA LOGOS, INC.  
 MINNESOTA LOGOS, INC.  
 MICHIGAN LOGOS, INC.  
 NEW JERSEY LOGOS, INC.

FLORIDA LOGOS, INC.  
KENTUCKY LOGOS, INC.  
NEVADA LOGOS, INC.  
TENNESSEE LOGOS, INC.  
KANSAS LOGOS, INC.  
COLORADO LOGOS, INC.  
NEW MEXICO LOGOS, INC.  
LAMAR ADVERTISING OF HUNTINGTON-  
BRIDGEPORT, INC.  
LAMAR ADVERTISING OF PENN, INC.  
LAMAR ADVERTISING OF  
MISSOURI, INC.  
LAMAR ADVERTISING OF  
MICHIGAN, INC.  
LAMAR ELECTRICAL, INC.  
LAMAR ADVERTISING OF  
SOUTH DAKOTA, INC.  
LAMAR ADVERTISING OF WEST VIRGINIA, INC.  
LAMAR ADVERTISING OF  
ASHLAND, INC.  
AMERICAN SIGNS, INC.  
LAMAR OCI NORTH CORPORATION  
LAMAR OCI SOUTH CORPORATION  
LAMAR ADVERTISING OF  
GREENVILLE, INC.  
LAMAR ROBINSON, INC.  
LAMAR ADVERTISING OF  
KENTUCKY, INC.  
LAMAR ADVERTISING OF ROLAND, INC.

By: /s/ Keith Istre

-----  
Keith Istre, Vice-President-Financial

LAMAR TEXAS LIMITED PARTNERSHIP

By Lamar Texas  
General Partner, Inc.  
Its general partner

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

LAMAR TENNESSEE, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

LAMAR AIR, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

TLC PROPERTIES, L.L.C.  
By TLC Properties, Inc., its manager

By: /s/ Keith Istre  
-----  
Keith Istre, Vice-President-Financial

Attest:

By: /s/ James McIlwain  
-----  
James McIlwain, Secretary

Accepted:

STATE STREET BANK & TRUST COMPANY, as Trustee

By: /s/ Andrew Sinasky  
-----  
Title: Assistant Vice President  
-----

## LAMAR MEDIA CORP.

## SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE dated as of July 20, 1999, is delivered pursuant to Section 5.1 of the Indenture dated as of August 15, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, (the "1997 Indenture") among OUTDOOR COMMUNICATIONS, INC. ("the Company"), a Delaware corporation, certain of its subsidiaries ("Guarantors") and FIRST UNION NATIONAL BANK, a national banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the 1997 Indenture).

The undersigned hereby agrees that:

1. Lamar Advertising Company has caused a subsidiary, Lamar Holdings Merge Co. to merge into Lamar Advertising Company under the laws of the State of Delaware ("Merger") and incident thereto caused the name of Lamar Advertising Company to be changed to Lamar Media Corp.

2. Lamar Media Corp., being the Surviving Entity under the Merger as provided under the 1997 Indenture, continues to be a corporation organized and existing under the laws of the State of Delaware.

3. The Surviving Entity ratifies and confirms its obligations as the "Company" under the 1997 Indenture and the securities issued thereunder.

4. Lamar Media Corp. hereby represents and warrants that the representations and warranties set forth in the 1997 Indenture as amended by this Supplemental Indenture are correct on and as of the date hereof.

5. The Guarantors of the Indenture, being the Subsidiaries of the Surviving Entity listed below, hereby confirm and ratify their Guarantees of the 1997 Indenture and the Securities issued thereunder and acknowledge that their Guarantees will continue to apply to the obligations of the Company under the 1997 Indenture.

6. All notices, requests and other communications provided for in the 1997 Indenture should be delivered to the respective parties hereto at the following address:

Lamar Media Corp.  
 Attn: Mr. Keith A. Istre  
 Vice President - Finance  
 P.O. Box 66338  
 Baton Rouge, LA 70896

7. A counterpart of this Supplemental Indenture may be attached to any counterpart of the 1997 Indenture.

8. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

LAMAR MEDIA CORP.  
 INTERSTATE LOGOS, INC.  
 THE LAMAR CORPORATION  
 LAMAR ADVERTISING OF MOBILE, INC.  
 LAMAR ADVERTISING OF COLORADO  
 SPRINGS, INC.  
 LAMAR ADVERTISING OF SOUTH  
 MISSISSIPPI, INC.  
 LAMAR ADVERTISING OF JACKSON, INC.  
 LAMAR TEXAS GENERAL PARTNER, INC.  
 LAMAR ADVERTISING OF SOUTH  
 GEORGIA, INC.  
 TLC PROPERTIES, INC.  
 TLC PROPERTIES, II, INC.  
 LAMAR PENSACOLA TRANSIT, INC.  
 LAMAR ADVERTISING OF  
 YOUNGSTOWN, INC.  
 NEBRASKA LOGOS, INC.  
 OKLAHOMA LOGO SIGNS, INC.  
 MISSOURI LOGOS, INC.  
 OHIO LOGOS, INC.  
 UTAH LOGOS, INC.  
 TEXAS LOGOS, INC.  
 MISSISSIPPI LOGOS, INC.  
 GEORGIA LOGOS, INC.  
 SOUTH CAROLINA LOGOS, INC.  
 VIRGINIA LOGOS, INC.  
 MINNESOTA LOGOS, INC.  
 MICHIGAN LOGOS, INC.  
 NEW JERSEY LOGOS, INC.

FLORIDA LOGOS, INC.  
KENTUCKY LOGOS, INC.  
NEVADA LOGOS, INC.  
TENNESSEE LOGOS, INC.  
KANSAS LOGOS, INC.  
COLORADO LOGOS, INC.  
NEW MEXICO LOGOS, INC.  
LAMAR ADVERTISING OF HUNTINGTON-  
BRIDGEPORT, INC.  
LAMAR ADVERTISING OF PENN, INC.  
LAMAR ADVERTISING OF  
MISSOURI, INC.  
LAMAR ADVERTISING OF  
MICHIGAN, INC.  
LAMAR ELECTRICAL, INC.  
LAMAR ADVERTISING OF  
SOUTH DAKOTA, INC.  
LAMAR ADVERTISING OF WEST VIRGINIA, INC.  
LAMAR ADVERTISING OF  
ASHLAND, INC.  
AMERICAN SIGNS, INC.  
LAMAR OCI NORTH CORPORATION  
LAMAR OCI SOUTH CORPORATION  
LAMAR ADVERTISING OF  
GREENVILLE, INC.  
LAMAR ROBINSON, INC.  
LAMAR ADVERTISING OF  
KENTUCKY, INC.  
LAMAR ADVERTISING OF ROLAND, INC.

By: /s/ Keith A. Istre

-----  
Keith Istre, Vice - President - Financial

LAMAR TEXAS LIMITED PARTNERSHIP  
By Lamar Texas General Partner, Inc.  
Its general partner

By: /s/ Keith A. Istre  
-----  
Keith Istre, Vice - President - Financial

LAMAR TENNESSEE, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith A. Istre  
-----  
Keith Istre, Vice - President - Financial

LAMAR AIR, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith A. Istre  
-----  
Keith Istre, Vice - President - Financial

TLC PROPERTIES, L.L.C.  
By TLC Properties, Inc., its manager

By: /s/ Keith A. Istre  
-----  
Keith Istre, Vice - President - Financial

Attest:

By: /s/ James McIlwain  
-----  
James McIlwain, Secretary

Accepted:

FIRST UNION NATIONAL BANK, as Trustee

By: /s/ Josie Gonot  
-----  
Title: Assistant Vice President Corporate Trust Group  
-----

## SUPPLEMENTAL INDENTURE

OF

## GUARANTORS

THIS SUPPLEMENTAL INDENTURE dated as of September 15, 1999 is delivered pursuant to Section 10.04 of the Indenture dated as of November 15, 1996 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "Indenture") among LAMAR MEDIA CORP., a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the Indenture).

The undersigned hereby agree that:

1. The undersigned are Guarantors under the Indenture with all of the rights and obligations of a Guarantor thereunder.
2. The undersigned hereby grant, ratify and confirm the guarantee provided for by Article Ten of the Indenture to guarantee unconditionally, jointly and severally with the other Guarantors, to each Holder of a Note authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of (and premium, if any) and interest on such Note when and as the same shall become due and payable.
3. The undersigned hereby represent and warrant that the representations and warranties set forth in the Indenture, to the extent relating to the undersigned as Guarantors, are correct on and as of the date hereof.
4. All notices, requests and other communications provided for in the Indenture should be delivered to the undersigned at the address specified in Section 12.02 of the Indenture.
5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the Indenture.
6. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned have caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

LAMAR MW SIGN CORPORATION  
LAMAR MARTIN CORPORATION  
LAMAR NEVADA SIGN CORPORATION  
LAMAR OUTDOOR CORPORATION  
LAMAR WHITECO OUTDOOR CORPORATION  
DOWLING COMPANY, INCORPORATED  
HARDIN DEVELOPMENT CORPORATION  
LINDSAY OUTDOOR ADVERTISING INC.  
PARSONS DEVELOPMENT COMPANY  
REVOLUTION OUTDOOR ADVERTISING, INC.  
SCENIC OUTDOOR MARKETING & CONSULTING, INC.  
WESTERN POSTER SERVICE, INC.

By: /s/ Keith A. Istre  
-----  
Keith A. Istre  
Vice President - Finance and Chief  
Financial Office

LAMAR WEST, L.P.

By: Lamar MW Sign Corporation,  
Its General Partner

By: /s/ Keith A. Istre  
-----  
Keith A. Istre  
Vice President - Finance and Chief  
Financial Officer

OUTDOOR PROMOTIONS WEST, LLC  
TRANSIT AMERICA LAS VEGAS, L.L.C.  
TRIUMPH OUTDOOR LOUISIANA, LLC  
TRIUMPH OUTDOOR RHODE ISLAND, LLC

By: Triumph Outdoor Holdings, LLC, its manager  
By: Lamar Outdoor Corporation, its manager

By: /s/ Keith A. Istre  
-----  
Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer

TRIUMPH OUTDOOR HOLDINGS, LLC  
By: Lamar Outdoor Corporation, its manager

By: /s/ Keith A. Istre  
-----  
Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer

Attest:

By: /s/ James R. McIlwain  
-----  
James R. McIlwain, Secretary

Accepted:

STATE STREET BANK AND TRUST  
COMPANY, as Trustee

By: /s/ Andrew Sinasky  
-----  
Title: Assistant Vice President  
-----

## SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE dated as of December 15, 1997, is delivered pursuant to Section 10.04 of the Indenture dated as of September 25, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "Indenture") among LAMAR ADVERTISING COMPANY, a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the Indenture).

The undersigned hereby agrees that:

1. The undersigned is a Guarantor under the Indenture with all of the rights and obligations of a Guarantor thereunder.
2. The undersigned hereby grants, ratifies and confirms the guarantee provided for by Article Ten of the Indenture to guarantee unconditionally, jointly and severally with the other Guarantors, to each Holder of a Note authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of (and premium, if any) and interest on such Note when and as the same shall become due and payable.
3. The undersigned hereby represents and warrants that the representations and warranties set forth in the Indenture, to the extent relating to the undersigned as Guarantor, are correct on and as of the date hereof.
4. All notices, requests and other communications provided for in the Indenture should be delivered to the undersigned at the address specified in Section 12.02 of the Indenture.
5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the Indenture.
6. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantor:

TLC PROPERTIES, L.L.C.

By: /s/ Keith A. Istre

-----  
Keith A. Istre, Vice President and  
Chief Financial Officer

Attest:

By: /s/ Charles W. Lamar, III

-----  
Charles W. Lamar, III, Secretary

Accepted:

STATE STREET BANK AND TRUST  
COMPANY, as Trustee

By: /s/ Andrew M. Sinasky

-----  
Title: Assistant Vice President  
-----

## SCHEDULE OF ADDITIONAL SUBSIDIARY GUARANTORS

Guarantor -----	Execution Date -----
Lamar Advertising of South Dakota, Inc.	1/07/98
Lamar Advertising of West Virginia, Inc.	7/28/98
Lamar Advertising of Ashland, Inc.	8/28/98
American Signs, Inc.	9/01/98
Lamar Robinson, Inc.	12/01/98
Lamar Advertising of Kentucky, Inc.	2/01/99
Lamar Advertising of Roland, Inc.	3/01/99
Colorado Logos, Inc.	5/27/99
Lamar Tennessee, L.L.C.	6/29/99
New Mexico Logos, Inc.	7/02/99

## SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE dated as of December 10, 1996, is delivered pursuant to Section 10.04 of the Indenture dated as of November 15, 1996 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "Indenture") among LAMAR ADVERTISING COMPANY, a Delaware corporation, certain of its subsidiaries ("Guarantors") and STATE STREET BANK AND TRUST COMPANY, a Massachusetts banking corporation, as Trustee ("Trustee") (all terms used herein without definition having the meanings ascribed to them in the Indenture).

The undersigned hereby agrees that:

1. The undersigned are Guarantors under the Indenture with all of the rights and obligations of a Guarantor thereunder.
2. The undersigned hereby grant, ratify and confirm the guarantee provided for by Article Ten of the Indenture to guarantee unconditionally, jointly and severally with the other Guarantors, to each Holder of a Note authenticated and delivered by the Trustee, and to the Trustee on behalf of such Holder, the due and punctual payment of the principal of (and premium, if any) and interest on such Note when and as the same shall become due and payable.
3. The undersigned hereby represent and warrant that the representations and warranties set forth in the Indenture, to the extent relating to the undersigned as Guarantors, are correct on and as of the date hereof.
4. All notices, requests and other communications provided for in the Indenture should be delivered to the undersigned at the address specified in Section 12.02 of the Indenture.
5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the Indenture.
6. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the undersigned has caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

KENTUCKY LOGOS, INC.

By: /s/ Thomas Everett Stewart, Jr.

-----  
Name: Thomas Everett Stewart, Jr.

Title: President

NEVADA LOGOS, INC.

By: /s/ Thomas Everett Stewart, Jr.  
-----  
Name: Thomas Everett Stewart, Jr.  
Title: President

CANADIAN TODS LIMITED

By: /s/ Thomas Everett Stewart, Jr.  
-----  
Name: Thomas Everett Stewart, Jr.  
Title: President

FLORIDA LOGOS, INC.

By: /s/ Thomas Everett Stewart, Jr.  
-----  
Name: Thomas Everett Stewart, Jr.  
Title: President

Attest:

By: /s/ Charles W. Lamar, III  
-----  
Charles W. Lamar, III, Secretary

Accepted:

STATE STREET BANK AND TRUST  
COMPANY, as Trustee

By: /s/ Andrew M. Sinasky  
-----  
Title: Assistant Vice President

## SCHEDULE OF ADDITIONAL SUBSIDIARY GUARANTORS

Guarantor -----	Execution Date -----
Lamar Advertising of Penn, Inc.	4/01/97
Lamar Advertising of Huntington-Bridgeport, Inc.	5/16/97
Lamar Advertising of Missouri, Inc.	6/27/97
Lamar Advertising of Michigan, Inc.	8/15/97
Lamar Electrical, Inc.	8/28/97
TLC Properties, L.L.C.	12/15/97
Lamar Advertising of South Dakota, Inc.	1/07/98
Lamar Advertising of West Virginia, Inc.	7/28/98
Lamar Advertising of Ashland, Inc.	8/28/98
American Signs, Inc.	9/01/98
Lamar Robinson, Inc.	12/01/98
Lamar Advertising of Kentucky, Inc.	2/01/98
Lamar Advertising of Roland, Inc.	3/01/98
Colorado Logos, Inc.	5/27/99
Lamar Tennessee, L.L.C.	6/29/99
New Mexico Logos, Inc.	7/02/99

## SUPPLEMENTAL INDENTURE

TO INDENTURE DATED AUGUST 15, 1997

THIS SUPPLEMENTAL INDENTURE dated as of December 1, 1998, is delivered pursuant to Section 4.11 of the Indenture dated as of August 15, 1997 (as heretofore or hereafter modified and supplemented and in effect from time to time, the "1997 Indenture") among OUTDOOR COMMUNICATIONS, INC., a Delaware corporation, certain of its subsidiaries (the "Guarantors") and FIRST UNION NATIONAL BANK, a national banking corporation, as Trustee (the "Trustee") (all terms used herein without definition having the meanings ascribed to them in the 1997 Indenture).

The undersigned hereby agrees that:

1. The undersigned are Guarantors under the 1997 Indenture with all of the rights and obligations of the Guarantors thereunder.

2. The undersigned have granted, ratified and confirmed, in the form and substance of Exhibit B to the 1997 Indenture, the Guarantee provided for by Article XI of the 1997 Indenture.

3. The undersigned hereby represent and warrant that the representations and warranties set forth in the 1997 Indenture, to the extent relating to the undersigned as Guarantors, are correct on and as of the date hereof.

4. All notices, requests and other communications provided for in the 1997 Indenture should be delivered to the undersigned at the following address:

Keith A. Istre  
Vice President - Finance and  
Chief Financial Officer  
Lamar Advertising Company and its Subsidiaries  
5551 Corporate Blvd.  
Baton Rouge, LA 70808

5. A counterpart of this Supplemental Indenture may be attached to any counterpart of the 1997 Indenture.

6. This Supplemental Indenture shall be governed by and construed in accordance with the internal laws of the State of New York.

IN WITNESS WHEREOF, the undersigned have caused this Supplemental Indenture to be duly executed as of the day and year first above written.

Guarantors:

LAMAR ROBINSON, INC.

By: /s/ Kevin P. Reilly, Jr.

-----  
Kevin P. Reilly, Jr., President

Attest:

By: /s/ Charles W. Lamar, III

-----  
Charles W. Lamar, III, Secretary

Accepted:

FIRST UNION NATIONAL BANK,  
as Trustee

By: /s/ Shawn K. Bednasek

-----  
Title: Vice President  
-----

## SCHEDULE OF ADDITIONAL SUBSIDIARY GUARANTORS

Guarantor -----	Execution Date -----
Lamar Advertising of Kentucky, Inc.	2/01/99
Lamar Advertising of Roland, Inc.	3/01/99
Colorado Logos, Inc.	5/27/99
Lamar Tennessee, L.L.C.	6/29/99
New Mexico Logos, Inc.	7/02/99

=====  
LAMAR MEDIA CORP.  
(formerly known as Lamar Advertising Company)

-----  
CREDIT AGREEMENT

Dated as of August 13, 1999

-----  
CHASE SECURITIES INC.  
as Lead Arranger and Book Manager

THE CHASE MANHATTAN BANK  
as Administrative Agent

FLEET BANK, FIRST UNION NATIONAL BANK  
and THE FIRST NATIONAL BANK OF CHICAGO  
as Co-Documentation Agents  
=====

## TABLE OF CONTENTS

	Page
	----
ARTICLE I	
Definitions	
SECTION 1.01. Defined Terms.....	1
SECTION 1.02. Classification of Loans and Borrowings.....	24
SECTION 1.03. Terms Generally.....	24
SECTION 1.04. Accounting Terms; GAAP.....	24
SECTION 1.05. Subsidiaries; Designation of Unrestricted Subsidiaries.....	25
ARTICLE II	
The Credits	
SECTION 2.01. Commitments.....	26
SECTION 2.02. Loans and Borrowings.....	27
SECTION 2.03. Requests for Borrowings.....	28
SECTION 2.04. Letters of Credit.....	29
SECTION 2.05. Funding of Borrowings.....	33
SECTION 2.06. Interest Elections.....	33
SECTION 2.07. Termination and Reduction of Commitments.....	35
SECTION 2.08. Repayment of Loans; Evidence of Debt.....	36
SECTION 2.09. Prepayment of Loans.....	39
SECTION 2.10. Fees.....	42
SECTION 2.11. Interest.....	44
SECTION 2.12. Alternate Rate of Interest.....	44
SECTION 2.13. Increased Costs.....	45
SECTION 2.14. Break Funding Payments.....	46
SECTION 2.15. Taxes.....	47
SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing Of Set-Offs.....	48
SECTION 2.17. Mitigation Obligations; Replacement of Lenders.....	50
ARTICLE III	
Guarantee by Subsidiary Guarantors	
SECTION 3.01. The Guarantee.....	51
SECTION 3.02. Obligations Unconditional.....	51
SECTION 3.03. Reinstatement.....	52
SECTION 3.04. Subrogation.....	52
SECTION 3.05. Remedies.....	52
SECTION 3.06. Instrument for the Payment of Money.....	52

	Page
	----
SECTION 3.07. Continuing Guarantee.....	53
SECTION 3.08. Rights of Contribution.....	53
SECTION 3.09. General Limitation on Guarantee Obligations.....	53

#### ARTICLE IV

##### Representations and Warranties

SECTION 4.01. Organization; Powers.....	54
SECTION 4.02. Authorization; Enforceability.....	54
SECTION 4.03. Governmental Approvals; No Conflicts.....	54
SECTION 4.04. Financial Condition; No Material Adverse Change; Year 2000 Issues.....	55
SECTION 4.05. Properties.....	56
SECTION 4.06. Litigation and Environmental Matters.....	57
SECTION 4.07. Compliance with Laws and Agreements.....	57
SECTION 4.08. Investment and Holding Company Status.....	57
SECTION 4.09. Taxes.....	57
SECTION 4.10. ERISA.....	57
SECTION 4.11. Disclosure.....	58
SECTION 4.12. Capitalization.....	58
SECTION 4.13. Material Agreements and Liens.....	58
SECTION 4.14. Subsidiaries, Etc.....	59
SECTION 4.15. Chancellor Acquisition.....	59
SECTION 4.16. Senior Notes Indenture.....	60

#### ARTICLE V

##### Conditions

SECTION 5.01. Effective Date.....	60
SECTION 5.02. Incremental Loan Borrowings.....	63
SECTION 5.03. Each Extension of Credit.....	63

#### ARTICLE VI

##### Affirmative Covenants

SECTION 6.01. Financial Statements and Other Information.....	64
SECTION 6.02. Notices of Material Events.....	66
SECTION 6.03. Existence; Conduct of Business.....	67
SECTION 6.04. Payment of Obligations.....	67
SECTION 6.05. Maintenance of Properties; Insurance.....	67
SECTION 6.06. Books and Records; Inspection Rights.....	67
SECTION 6.07. Fiscal Year.....	67

	Page
	----
SECTION 6.08. Compliance with Laws.....	68
SECTION 6.09. Use of Proceeds.....	68
SECTION 6.10. Certain Obligations Respecting Restricted Subsidiaries and Collateral Security.....	68

#### ARTICLE VII

##### Negative Covenants

SECTION 7.01. Indebtedness.....	69
SECTION 7.02. Liens.....	70
SECTION 7.03. Contingent Liabilities; Surety Bonds.....	72
SECTION 7.04. Fundamental Changes.....	72
SECTION 7.05. Investments, Loans, Advances, Guarantees and Acquisitions; Hedging Agreements.....	74
SECTION 7.06. Dividend Payments.....	75
SECTION 7.07. Transactions with Affiliates.....	76
SECTION 7.08. Restrictive Agreements.....	77
SECTION 7.09. Certain Financial Covenants.....	78
SECTION 7.10. Lines of Business.....	79
SECTION 7.11. Subordinated Indebtedness.....	79
SECTION 7.12. Modifications of Certain Documents.....	79

#### ARTICLE VIII

Events of Default.....	80
------------------------	----

#### ARTICLE IX

The Administrative Agent.....	83
-------------------------------	----

#### ARTICLE X

##### Miscellaneous

SECTION 10.01. Notices.....	85
SECTION 10.02. Waivers; Amendments.....	86
SECTION 10.03. Expenses; Indemnity; Damage Waiver.....	88
SECTION 10.04. Successors and Assigns.....	89
SECTION 10.05. Survival.....	92
SECTION 10.06. Counterparts; Integration; Effectiveness.....	93
SECTION 10.07. Severability.....	93
SECTION 10.08. Right of Setoff.....	93
SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process.....	94

SECTION 10.10.	WAIVER OF JURY TRIAL.....	94
SECTION 10.11.	Headings.....	95
SECTION 10.12.	Release of Collateral and Guarantees.....	95
SECTION 10.13.	Successor Facility.....	95
SECTION 10.14.	Existing Credit Agreement.....	95

## SCHEDULES:

Schedule 2.01	-- Commitments
Schedule 4.06	-- Disclosed Matters
Schedule 4.11	-- Supplemental Disclosure
Schedule 4.13	-- Material Agreements and Liens
Schedule 4.14	-- Subsidiaries
Schedule 7.01	-- Existing Indebtedness
Schedule 7.02	-- Existing Liens
Schedule 7.03	-- Existing Guarantees
Schedule 7.07	-- Certain Existing Affiliate Transactions
Schedule 7.08	-- Existing Restrictions

## EXHIBITS:

Exhibit A	-- Form of Assignment and Acceptance
Exhibit B	-- Form of Opinion of Counsel to the Credit Parties
Exhibit C	-- Form of Opinion of Special Counsel
Exhibit D-1	-- Form of Pledge Agreement
Exhibit D-2	-- Form of Holdings Guaranty and Pledge Agreement
Exhibit E	-- Form of Joinder Agreement

CREDIT AGREEMENT dated as of August 13, 1999 between LAMAR MEDIA CORP., the SUBSIDIARY GUARANTORS party hereto, the LENDERS party hereto and THE CHASE MANHATTAN BANK, as Administrative Agent.

The Borrower, the Subsidiary Guarantors, the lenders named therein (including certain of the Lenders hereunder) and The Chase Manhattan Bank, as Administrative Agent, are party to an Amended and Restated Credit Agreement dated as of July 16, 1998 (the "Existing Credit Agreement"). The Borrower has requested the Lenders to extend credit, by means of loans and letters of credit, in an aggregate amount up to but not exceeding \$1,000,000,000 (which amount may, in the circumstances hereinafter provided, be increased to \$1,400,000,000) to (i) enable the Borrower to consummate the Chancellor Acquisition (as defined herein), (ii) refinance indebtedness outstanding under the Existing Credit Agreement, and (iii) provide funds for future acquisitions and the general corporate purposes of the Borrower and its Restricted Subsidiaries (as defined herein). The Lenders are willing to extend such credit upon the terms and conditions of this Agreement and, accordingly, the parties hereto agree as follows:

#### ARTICLE I

##### Definitions

SECTION 1.01. DEFINED TERMS. As used in this Agreement, the following terms have the meanings specified below:

"Acquisition" means any transaction, or any series of related transactions, consummated after the date hereof, by which (i) the Borrower and/or any of its Subsidiaries acquires the business of, or all or substantially all of the assets of, any firm, corporation or division thereof located in a specific geographic area or areas, whether through purchase of assets, purchase of stock, merger or otherwise or (ii) any Person that was not theretofore a Subsidiary of the Borrower becomes a Subsidiary of the Borrower.

"Adjusted Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Adjusted Base Rate due to a change in the Prime Rate, the Base CD Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate, Base CD Rate or the Federal Funds Effective Rate, respectively.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means The Chase Manhattan Bank in its capacity as administrative agent for the Lenders hereunder.

Credit Agreement

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. Notwithstanding the foregoing, (a) no individual shall be an Affiliate of the Borrower or any of its Restricted Subsidiaries solely by reason of his or her being a director, officer or employee of the Borrower or any of its Restricted Subsidiaries and (b) none of the Subsidiary Guarantors shall be Affiliates of the Borrower or any of its Restricted Subsidiaries.

"Applicable Percentage" means (a) with respect to any Revolving Credit Lender for purposes of Section 2.04, the percentage of the total Revolving Credit Commitments represented by such Lender's Revolving Credit Commitment, (b) with respect to any Lender in respect of any indemnity claim under Section 10.03(c) relating to the Administrative Agent under this Agreement, the percentage of the total Commitments or Loans of all Classes hereunder represented by the aggregate amount of such Lender's Commitment or Loans of all Classes hereunder.

"Applicable Margin" means (a) for any Type of Revolving Credit Loans or Tranche A Term Loans, the respective rates indicated below for Loans of such Type based upon the Total Debt Ratio as at the last day of the fiscal quarter most recently ended as to which the Borrower has delivered financial statements pursuant to Section 6.01 (or, prior to the delivery of the first of such statements after the Effective Date, upon the Total Debt Ratio set forth in the certificate of a Financial Officer delivered pursuant to Section 5.01(k)); (b) for Tranche B Term Loans, (i) 1.25% in the case of Adjusted Base Rate Loans, and (ii) 2.25% in the case of Eurodollar Loans; and (c) for any Type of Incremental Loans of any Series, such rates of interest as shall be agreed upon at the time Incremental Loan Commitments of such Series are established:

Credit Agreement

Range of Total Debt Ratio -----	Applicable Margin (% p.a.)	
	Base Rate Loans -----	Eurodollar Loans -----
Greater than or equal to 5.50 to 1	.75%	2.00%
Less than 5.50 to 1 and greater than or equal to 5.00 to 1	.50%	1.75%
Less than 5.00 to 1 and greater than or equal to 4.50 to 1	.25%	1.50%
Less than 4.50 to 1 and greater than or equal to 4.00 to 1	.00%	1.25%
Less than 4.00 to 1	.00%	1.00%

Each change in the "Applicable Margin" based upon any change in the Total Debt Ratio shall become effective for purposes of the accrual of interest hereunder (including in respect of all then-outstanding Loans) on the date three Business Days after the delivery to the Administrative Agent of the financial statements of the Borrower for the most recently ended fiscal quarter pursuant to Section 6.01, and shall remain effective for such purpose until three Business Days after the next delivery of such financial statements to the Administrative Agent hereunder.

Notwithstanding the foregoing, in the event the Borrower consummates any Acquisition or Disposition for aggregate consideration of \$25,000,000 or more, the Borrower shall forthwith deliver to the Administrative Agent a certificate of a Financial Officer, in form and detail satisfactory to the Administrative Agent, setting forth a redetermination of the Total Debt Ratio reflecting such Acquisition or Disposition, and on the date three Business Days after the delivery of such certificate, the Applicable Margin shall be adjusted to give effect to such redetermination of the Total Debt Ratio.

Anything in this Agreement to the contrary notwithstanding, the Applicable Margin shall be the highest rates provided for above if the certificate of a Financial Officer shall not be delivered by the times provided in Section 6.01 or within three Business Days after the occurrence of any Acquisition or Disposition described above (but only, in the case of this paragraph, with respect to periods prior to the delivery of such certificate).

"Approved Fund" means, with respect to any Lender that is a fund that invests in commercial loans, any other fund that invests in commercial loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

Credit Agreement

"Assessment Rate" means, for any day, the annual assessment rate in effect on such day that is payable by a member of the Bank Insurance Fund classified as "well-capitalized" and within supervisory subgroup "B" (or a comparable successor risk classification) within the meaning of 12 C.F.R. Part 327 (or any successor provision) to the Federal Deposit Insurance Corporation for insurance by such Corporation of time deposits made in dollars at the offices of such member in the United States; provided that if, as a result of any change in any law, rule or regulation, it is no longer possible to determine the Assessment Rate as aforesaid, then the Assessment Rate shall be such annual rate as shall be determined by the Administrative Agent to be representative of the cost of such insurance to the Lenders.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"Base CD Rate" means the sum of (a) the Three-Month Secondary CD Rate multiplied by the Statutory Reserve Rate plus (b) the Assessment Rate.

"Base Rate", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Base Rate.

"Basic Documents" means the Loan Documents, the Senior Subordinated Notes Indenture and the New Senior Subordinated Notes Indenture (or any applicable governing agreement for any Refunding Indebtedness) and the Senior Secured Notes (and any related agreement).

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means Lamar Media Corp. (formally known as Lamar Advertising Company), a Delaware corporation.

"Borrowing" means Loans of a particular Class of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in U.S. dollar deposits in the London interbank market.

Credit Agreement

"Capital Expenditures" means, for any period, the sum for the Borrower or any of its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) of the aggregate amount of expenditures (including the aggregate amount of Capital Lease Obligations incurred during such period) made to acquire or construct fixed assets, plant and equipment (including renewals, improvements and replacements, but excluding repairs) during such period computed in accordance with GAAP; provided that such term shall not include any such expenditures in connection with any Acquisition or any replacement or repair of Property affected by a Casualty Event.

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

"Casualty Event" means, with respect to any Property of any Person, any loss of or damage to, or any condemnation or other taking of, such Property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

"Chancellor" means, collectively, Chancellor Media Outdoor Corporation, a Delaware corporation, and Chancellor Media Whiteco Outdoor Corporation, a Delaware Corporation.

"Chancellor Acquisition" means the Acquisition of Chancellor by the Borrower pursuant to the Chancellor Acquisition Agreement, consisting of the purchase by the Borrower of the shares of capital stock of Chancellor Media Outdoor Corporation from Chancellor Media Corporation of Los Angeles, and of the shares of capital stock of Chancellor Media Whiteco Outdoor Corporation from Chancellor Mezzanine Holdings Corporation.

"Chancellor Acquisition Agreement" means the Amended and Restated Stock Purchase Agreement dated as of July 12, 1999 between the Borrower, as purchaser, and Chancellor Mezzanine Holdings Corporation and Chancellor Media Corporation of Los Angeles, as sellers.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or the Issuing Lender (or, for purposes of Section 2.13(b), by any lending office of such Lender or by such Lender's or the Issuing Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Chase" means The Chase Manhattan Bank, a New York banking corporation.

Credit Agreement

"Class", when used in reference to any Loan, Borrowing or Commitment, refers to whether such Loan, the Loans comprising such Borrowing or the Loans that a Lender holding such Commitment is obligated to make, are Revolving Credit Loans, Tranche A Term Loans, Tranche B Term Loans, or Incremental Loans.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitments" means the Revolving Credit Commitments, Tranche A Commitments, Tranche B Commitments and Incremental Loan Commitments, as applicable.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Confidential Information Memorandum" means the Confidential Information Memorandum dated July, 1999 with respect to the syndication of the credit facilities provided herein.

"Credit Parties" means, collectively, Holdings, the Borrower and the Subsidiary Guarantors.

"Debt Service" means, for any period, the sum, for Holdings and the Borrower and its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) the amount, if any, by which the aggregate principal amount of Revolving Credit Loans outstanding hereunder at the beginning of such period shall exceed the aggregate amount of the Revolving Credit Commitments scheduled to be in effect at the end of such period after giving effect to any reductions of such Commitments scheduled to occur during such period pursuant to Section 2.07 plus (b) all regularly scheduled payments or regularly scheduled mandatory prepayments of principal of any other Indebtedness (including the Tranche A Term Loans, the Tranche B Term Loans and the Incremental Loans and the principal component of any payments in respect of Capital Lease Obligations, but excluding any prepayments pursuant to Section 2.09) made during such period plus (c) all Interest Expense for such period.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 4.06.

"Disposition" means any sale, assignment, transfer or other disposition of any property (whether now owned or hereafter acquired) by the Borrower or any of its Restricted Subsidiaries to any other Person excluding any sale, assignment, transfer or other disposition of (i) any property sold or disposed of in the ordinary course of business and on ordinary business terms, (ii) any obsolete or worn-out tools and equipment no longer used or useful in the business

of the Borrower and its Restricted Subsidiaries and (iii) any Collateral under and as defined in the Pledge Agreement pursuant to an exercise of remedies by the Administrative Agent under Section 5.05 thereof.

"Disposition Investment" means, with respect to any Disposition, any promissory notes or other evidences of indebtedness or Investments received by the Borrower or any of its Restricted Subsidiaries in connection with such Disposition.

"Dividend Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of capital stock of the Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock of the Borrower (and including also any payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market or equity value of the Borrower or any of its Subsidiaries), but excluding dividends payable solely in shares of common stock of the Borrower.

"EBITDA" means, for any period, operating income for the Borrower and its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) for such period (calculated before taxes, Interest Expense, depreciation, amortization and any other non-cash income or charges accrued for such period and (except to the extent received or paid in cash by the Borrower or any of its Restricted Subsidiaries) income or loss attributable to equity in Affiliates for such period) excluding any extraordinary and unusual gains or losses during such period and excluding the proceeds of any Casualty Events and Dispositions.

Notwithstanding the foregoing, except as otherwise provided in Section 7.04(f), if during any period for which EBITDA is being determined the Borrower shall have consummated any Acquisition (including the Chancellor Acquisition) or Disposition then, for all purposes of this Agreement (other than for purposes of the definition of Excess Cash Flow), EBITDA shall be determined on a pro forma basis as if such Acquisition or Disposition had been made or consummated on the first day of such period.

"Effective Date" means the date on which the conditions specified in Section 5.01 are satisfied (or waived in accordance with Section 10.02).

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or

disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Hedging Arrangement" means any agreement or other arrangement pursuant to which the Borrower or any of its Restricted Subsidiaries shall agree to purchase shares of capital stock of the Borrower from another Person at a fixed price or formula (or to make payments to another Person calculated with reference to the price of any such shares), whether such agreement or other arrangement arises in connection with an acquisition of a business or property, an employee benefit plan, a hedging transaction or otherwise.

"Equity Rights" means, with respect to any Person, any subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including any stockholders' or voting trust agreements) for the issuance or sale of, or securities convertible into, any additional shares of capital stock of any class, or partnership or other ownership interests of any type in, such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

Credit Agreement

"Event of Default" has the meaning assigned to such term in Article VIII.

"Excess Cash Flow" means, for any period, the excess of (a) EBITDA for such period over (b) the sum of (i) Debt Service for such period (other than the portion thereof attributable to Holdings) plus (ii) the aggregate amount of all Capital Expenditures and cash payments made by the Borrower and its Restricted Subsidiaries in respect of any Acquisitions made by the Borrower and its Restricted Subsidiaries during such period plus (iii) the aggregate amount paid, or required to be paid, in cash in respect of income, franchise, real estate and other like taxes for such period (to the extent not deducted in determining EBITDA for such period) plus (iv) the aggregate amount of prepayments of Term Loans and Incremental Loans made during such period pursuant to Section 2.09(a) (other than that portion, if any, of such prepayments applied to installments of the Term Loans and Incremental Loans falling due in such period) and the aggregate amount of voluntary reductions of Revolving Credit Commitments made during such period pursuant to Section 2.07(c).

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender, the Issuing Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income, net worth or franchise taxes imposed on (or measured by) its net income or net worth by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located or in which it is taxable solely on account of some connection other than the execution, delivery or performance of this Agreement or the receipt of income hereunder, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement or is attributable to such Foreign Lender's failure or inability to comply with Section 2.15(e), except to the extent that such Foreign Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.15(a).

"Existing Credit Agreement" has the meaning assigned to such term in the preamble to this Agreement.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower, as the case may be.

Credit Agreement

"Fixed Charges Ratio" means, as at any date, the ratio of (a) EBITDA for the period of four consecutive fiscal quarters ending on or most recently ended prior to such date to (b) the sum for Holdings and the Borrower and its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (i) all Debt Service for such period plus (ii) the aggregate amount of all Capital Expenditures made during such period plus (iii) the aggregate amount paid, or required to be paid, in cash in respect of income, franchise, real estate and other like taxes for such period (to the extent not deducted in determining EBITDA for such period).

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary of the Borrower organized in a jurisdiction other than the United States of America, any State thereof, or the District of Columbia.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" means a guarantee, an endorsement, a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Indebtedness, other obligations, net worth, working capital or earnings of any Person, or a guarantee of the payment of dividends or other distributions upon the stock or equity interests of any Person, or an agreement to purchase, sell or lease (as lessee or lessor) property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of such debtor's obligations or an agreement to assure a creditor against loss, and including, without limitation, causing a bank or other financial institution to issue a letter of credit or other similar instrument for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms "Guarantee" and "Guaranteed" used as a verb shall have a correlative meaning.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

Credit Agreement

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

"Holdings" means Lamar Advertising Company, a Delaware corporation of which the Borrower is a Wholly Owned Subsidiary.

"Holdings Guaranty and Pledge Agreement" means a Guaranty and Pledge Agreement substantially in the form of Exhibit D-2 between Holdings and the Administrative Agent.

"Holdings Indenture" means the Indenture pursuant to which the Senior Notes have been issued.

"Inactive Subsidiary" means, as at any date, any Subsidiary of the Borrower that, as at the end of and for the quarterly accounting period ending on or most recently ended prior to such date, shall have less than \$1,000 in assets.

"Incremental Loan" has the meaning assigned to such term in Section 2.01(d).

"Incremental Loan Commitment" means, with respect to each Lender, the amount of the offer of such Lender to make Incremental Loans of any Series that is accepted by the Borrower in accordance with the provisions of Section 2.01(d), as such amount may be (a) reduced from time to time pursuant to Sections 2.07 and 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The aggregate amount of the Incremental Loan Commitments of all Series shall not exceed \$400,000,000.

"Incremental Loan Commitment Termination Date" means the Quarterly Date falling on or nearest to December 31, 2001.

"Incremental Loan Lenders" means, in respect of any Series of Incremental Loans, (a) initially, the Lenders whose offers to make Incremental Loans of such Series shall have been accepted by the Borrower in accordance with the provisions of Section 2.01(d) and (b) thereafter, the Lenders from time to time holding Incremental Loans of such Series and/or Incremental Loan Commitments of such Series after giving effect to any assignments thereof permitted by Section 10.04.

"Indebtedness" means, for any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts are payable within 120 days of the date the respective goods are delivered or the respective services are rendered; (c) Indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective indebtedness so

Credit Agreement

secured has been assumed by such Person; (d) obligations of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (e) Capital Lease Obligations of such Person; (f) Indebtedness of others Guaranteed by such Person; and (g) obligations under Equity Hedging Arrangements (and, for purposes hereof, the amount of Indebtedness under an Equity Hedging Arrangement shall be deemed to be equal to the aggregate maximum contingent or potential liability under such Equity Hedging Arrangement). The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

Notwithstanding the foregoing, the following items shall not be deemed "Indebtedness" for purposes hereof: (i) obligations under Hedging Agreements; (ii) obligations in respect of Surety Bonds (other than letters of credit supporting obligations in respect of Surety Bonds, as to which clause (iii) below shall apply, and other than Surety Bonds supporting obligations that would otherwise constitute Indebtedness under this definition) to the extent that the aggregate amount of all such obligations does not exceed \$40,000,000; and (iii) obligations in respect of the undrawn face amount of letters of credit (other than letters of credit supporting obligations that would otherwise constitute Indebtedness under this definition) to the extent that the aggregate amount of all such obligations does not exceed \$10,000,000.

"Indemnified Taxes" means all Taxes other than (a) Excluded Taxes and Other Taxes and (b) amounts constituting penalties or interest imposed with respect to Excluded Taxes or Other Taxes.

"Interest Coverage Ratio" means, as at any date, the ratio of (a) EBITDA for the period of four consecutive fiscal quarters ending on or most recently ended prior to such date to (b) Interest Expense for such period.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.06.

"Interest Expense" means, for any period, the sum, for Holdings and the Borrower and its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness accrued or capitalized during such period (whether or not actually paid during such period) plus (b) the net amounts payable (or minus the net amounts receivable) under Hedging Agreements accrued during such period (whether or not actually paid or received during such period) including, without limitation, fees, but excluding reimbursement of legal fees and other similar transaction costs and excluding payments required by reason of the early termination of Hedging Agreements in effect on the date hereof plus (c) all fees, including letter of credit fees and expenses, incurred hereunder after the Effective Date.

Notwithstanding the foregoing, if during any period for which Interest Expense is being determined the Borrower shall have consummated any Acquisition (including the Chancellor Acquisition) or Disposition then, for all purposes of this Agreement (other than for

purposes of the definition of Excess Cash Flow), Interest Expense shall be determined on a pro forma basis as if such Acquisition or Disposition (and any Indebtedness incurred by the Borrower or any of its Restricted Subsidiaries in connection with such Acquisition or repaid as a result of such Disposition) had been made or consummated (and such Indebtedness incurred or repaid) on the first day of such period.

"Interest Payment Date" means (a) with respect to any Base Rate Loan, each Quarterly Date and (b) with respect to any Eurodollar Loan, the last Business Day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each Business Day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

"Interest Period" means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months (or, with the consent of each Lender of the relevant Class, nine or twelve months) thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing. Notwithstanding the foregoing,

(v) if any Interest Period for any Revolving Credit Borrowing would otherwise end after the Revolving Credit Termination Date, such Interest Period shall end on the Revolving Credit Termination Date,

(w) no Interest Period for any Revolving Credit Borrowing may commence before and end after any Revolving Credit Commitment Reduction Date unless, after giving effect thereto (and taking into account any then-outstanding Letters of Credit), the aggregate principal amount of Revolving Credit Loans having Interest Periods that end after such Revolving Credit Commitment Reduction Date shall be equal to or less than the aggregate principal amount of Revolving Credit Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such Revolving Credit Commitment Reduction Date,

(x) no Interest Period for any Term Loan Borrowing may commence before and end after any Principal Payment Date unless, after giving effect thereto, the aggregate principal amount of Term Loans having Interest Periods that end after such Principal Payment Date shall be equal to or less than the aggregate principal amount of Term Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such Principal Payment Date,

(y) no Interest Period for any Incremental Loan Borrowing of any Series may commence before and end after any Principal Payment Date unless, after giving effect thereto, the aggregate principal amount of the Incremental Loans of such Series having Interest Periods that end after such Principal Payment Date shall be equal to or less than the aggregate principal amount of the Incremental Loans of such Series scheduled to be outstanding after giving effect to the payments of principal required to be made on such Principal Payment Date, and

(z) notwithstanding the foregoing clauses (v), (w), (x) and (y), no Interest Period shall have a duration of less than one month and, if the Interest Period for any Eurodollar Loan would otherwise be a shorter period, such Loan shall not be available hereunder as a Eurodollar Loan for such period.

"Investment" means, for any Person: (a) the acquisition (whether for cash, Property, services or securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of, or capital contribution to, any other Person or any agreement to make any such acquisition or capital contribution (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale); (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding 180 days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business); or (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person.

Notwithstanding the foregoing, the following items shall not be deemed "Investments" for purposes hereof: (i) Capital Expenditures, (ii) Acquisitions and (iii) obligations (including, without limitation, deposits) in connection with Surety Bonds.

"Issuing Lender" means The Chase Manhattan Bank, in its capacity as the issuer of Letters of Credit hereunder.

"Joinder Agreement" means a Joinder Agreement substantially in the form of Exhibit E.

"LC Disbursement" means a payment made by the Issuing Lender pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Revolving Credit Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

Credit Agreement

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Page 3750 of the Telerate Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for U.S. dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which U.S. dollar deposits of \$5,000,000, and for a maturity comparable to such Interest Period, are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (other than an operating lease) (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, any promissory notes evidencing Loans hereunder and the Security Documents.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower and its Restricted Subsidiaries (or of the Borrower and all of its Subsidiaries) taken as a whole, (b) the ability of any Credit Party to perform any of its obligations under this Agreement or the other Loan Documents or (c) the rights of or benefits available to the Lenders under this Agreement and the other Loan Documents.

"Material Indebtedness" means Indebtedness (other than the Loans or Letters of Credit), or obligations in respect of one or more Hedging Agreements, of any one or more of Holdings, the Borrower or any of its Restricted Subsidiaries in an aggregate principal amount exceeding \$10,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of any Person in respect of any Hedging Agreement at any time shall

be the maximum aggregate amount (giving effect to any netting agreements) that such Person would be required to pay if such Hedging Agreement were terminated at such time.

"Missouri Partnership" means Missouri Logos, a Missouri general partnership, in which MIL is a general partner.

"MIL" means Missouri Logos, Inc., a Wholly Owned Subsidiary of Interstate Logos, Inc., a Wholly Owned Subsidiary of the Borrower.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Available Proceeds" means:

(i) in the case of any Disposition, the amount of Net Cash Payments received in connection with such Disposition; and

(ii) in the case of any Casualty Event, the aggregate amount of proceeds of insurance, condemnation awards and other compensation received by the Borrower and its Restricted Subsidiaries in respect of such Casualty Event net of (A) reasonable expenses incurred by the Borrower and its Restricted Subsidiaries in connection therewith and (B) contractually required repayments of Indebtedness to the extent secured by a Lien on such property and any income and transfer taxes payable by the Borrower or any of its Restricted Subsidiaries in respect of such Casualty Event.

"Net Cash Payments" means, with respect to any Disposition, the aggregate amount of all cash payments received by the Borrower and its Restricted Subsidiaries directly or indirectly in connection with such Disposition, whether at the time of such Disposition or after such Disposition under deferred payment arrangements or Investments entered into or received in connection with such Disposition (including, without limitation, Disposition Investments); provided that

(a) Net Cash Payments shall be net of (i) the amount of any legal, title, transfer and recording tax expenses, commissions and other fees and expenses payable by the Borrower and its Restricted Subsidiaries in connection with such Disposition and (ii) any Federal, state and local income or other taxes estimated to be payable by the Borrower and its Restricted Subsidiaries as a result of such Disposition, but only to the extent that such estimated taxes are in fact paid to the relevant Federal, state or local governmental authority within twelve months of the date of such Disposition; and

(b) Net Cash Payments shall be net of any repayments by the Borrower or any of its Restricted Subsidiaries of Indebtedness to the extent that (i) such Indebtedness is secured by a Lien on the property that is the subject of such Disposition and (ii) the transferee of (or holder of a Lien on) such property requires that such Indebtedness be repaid as a condition to the purchase of such property.

Credit Agreement

"New Senior Subordinated Notes" means the notes issued after the date hereof in accordance with the requirements of Section 7.01(b).

"New Senior Subordinated Notes Indentures" means the Indentures pursuant to which New Senior Subordinated Notes are issued.

"Obligors" means, collectively, the Borrower and the Subsidiary Guarantors.

"OCI" means Outdoor Communications Inc., a Delaware corporation.

"OCI Credit Agreement" means the Credit Agreement dated as of August 15, 1997 among OCI, certain subsidiaries of OCI, certain lenders party thereto, and Chase, as Administrative Agent.

"OCI Indenture" means the Indenture dated as of August 15, 1997 between OCI, OCI (N) Corp., OCI (S) Corp. and OCIIH LLC, as Guarantors, and First Union National Bank, as Trustee.

"OCI Subordinated Indebtedness" means Indebtedness in respect of the OCI Subordinated Notes.

"OCI Subordinated Notes" means the 9-1/4% Senior Subordinated Notes due 2007 issued under the OCI Indenture in the original principal amount of \$105,000,000.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement and the other Loan Documents, provided that there shall be excluded from "Other Taxes" all Excluded Taxes.

"Permitted Investments" means:

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

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard and Poor's Ratings Service or from Moody's Investors Service, Inc.;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$250,000,000; and

Credit Agreement

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Agreement" means a Pledge Agreement substantially in the form of Exhibit D-1 between the Obligor and the Administrative Agent.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by The Chase Manhattan Bank, as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Principal Payment Dates" means (i) the Quarterly Dates falling on or nearest to March 31, June 30, September 31 and December 31 of each year, commencing with September 30, 2001 through and including June 30, 2006 and (ii) March 1, 2006 and August 1, 2006 (or, if such day is not a Business Day, the next preceding Business Day).

"Property" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

"Qualified Holdings Obligations" means, collectively, obligations of the following categories incurred from time to time by Holdings on behalf of the Borrower and its Subsidiaries: (i) directors' fees, and fees, costs and expenses in respect of professional and related services which may be rendered to the Borrower and its Subsidiaries from time to time, including the fees and expenses of accountants, lawyers, investment bankers and other consultants retained in connection with matters affecting the Borrower and its Subsidiaries collectively, (ii) premiums, fees and expenses in connection with insurance policies and employee benefit programs (including workmen's compensation) maintained on behalf of the Borrower or any of its Subsidiaries, (iii) fees, costs and expenses incurred in connection with acquisitions and financings, including banking and underwriting fees (including underwriters discounts) and (iv) fees, costs and expenses in connection with the purchase by the Borrower and its Subsidiaries of data communications services.

"Qualified Reilly Partnership" means any general or limited partnership, all of the partnership interests of which are owned by (a) Kevin P. Reilly, Sr., (b) his wife, (c) his children, (d) his grandchildren, or (e) trusts of which he, his wife, his children and his grandchildren are the sole beneficiaries and for which one or more of such individuals are the sole trustee(s).

Credit Agreement

"Quarterly Dates" means the last Business Day of March, June, September and December in each year, the first of which shall be the first such day after the date of this Agreement.

"Refunding Indebtedness" has the meaning assigned to such term in Section 7.01(c).

"Register" has the meaning assigned to such term in Section 10.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Loans, LC Exposure and unused Commitments representing at least a majority of the sum of the total Loans, LC Exposure and unused Commitments at such time. References herein to the "Required Revolving Credit Lenders", "Required Tranche A Lenders", "Required Tranche B Lenders" and "Required Incremental Loan Lenders" of any Series, shall refer to the Lenders of such Class holding at least a majority of the sum of the total Loans, LC Exposure (if applicable) and unused Commitments of such Class at such time.

"Restricted Subsidiary" means any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Reserved Commitment Amount" has the meaning assigned to such term in Section 2.01(a).

"Revolving Credit Availability Period" means the period from and including the Effective Date to but excluding the earlier of (a) the Revolving Credit Termination Date and (b) the date of termination of the Revolving Credit Commitments.

"Revolving Credit Commitment" means, with respect to each Lender, the commitment of such Lender to make Revolving Credit Loans and to acquire participations in Letters of Credit hereunder, as such commitment may be (a) reduced from time to time pursuant to Sections 2.07 and 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender's Revolving Credit Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Revolving Credit Commitment, as applicable. The aggregate original amount of the Revolving Credit Commitments is \$350,000,000.

"Revolving Credit Commitment Reduction Dates" means the Quarterly Dates falling on or nearest to March 31, June 30, September 30 and December 31 of each year, commencing with March 31, 2002 through and including December 31, 2005, provided that the final Revolving Credit Commitment Reduction Date shall occur on March 1, 2006 (or, if such day is not a Business Day, the next preceding Business Day).

"Revolving Credit Exposure" means, with respect to any Revolving Credit Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Credit Loans and its LC Exposure at such time.

"Revolving Credit Lender" means (a) initially, a Lender that has a Revolving Credit Commitment set forth opposite its name on Schedule 2.01 and (b) thereafter, the Lenders from time to time holding Revolving Credit Loans and Revolving Credit Commitments, after giving effect to any assignments thereof permitted by Section 10.04.

"Revolving Credit Loan" means a Loan made pursuant to Section 2.01(a) that utilizes the Revolving Credit Commitment.

"Revolving Credit Termination Date" means March 1, 2006 (or, if such day is not a Business Day, the next preceding Business Day).

"Security Documents" means the Pledge Agreement, the Holdings Guaranty and Pledge Agreement and all Uniform Commercial Code financing statements required by the Pledge Agreement and the Holdings Guaranty and Pledge Agreement to be filed with respect to the security interests created pursuant thereto.

"Senior Debt Ratio" means, as at any date, the ratio of (a) all Indebtedness (other than Subordinated Indebtedness) of the Borrower and its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) on such date to (b) EBITDA for the period of four consecutive quarters ending on or most recently ended prior to such date.

"Senior Notes" means the 5-1/4% Convertible Notes due September 15, 2006, issued by Holdings pursuant to an Indenture dated as of August 10, 1999 between Holdings and State Street Bank and Trust Company, as trustee, in an original aggregate maximum face amount equal to \$287,500,000.

"Senior Secured Notes" means the Borrower's 11% Senior Notes issued pursuant to a Second Supplemental Indenture in the form of an Amended and Restated Indenture dated as of November 8, 1996, amending and restating in its entirety the Borrower's 11% Senior Secured Notes due May 15, 2003 issued on May 13, 1993 in an original aggregate face amount equal to \$100,000,000 (of which not more than \$1,172,000 are outstanding on the date hereof).

"Senior Subordinated Notes" means, collectively, (a) the 9-5/8% Senior Subordinated Notes due 2006 of the Borrower in the original principal amount of \$255,000,000 and (b) the 8-5/8% Senior Subordinated Notes due 2007 of the Borrower in the original principal amount of \$200,000,000.

"Senior Subordinated Notes Indenture" means the Indentures pursuant to which the Senior Subordinated Notes have been issued.

"Series" has the meaning assigned to such term in Section 2.01(d).

Credit Agreement

"Significant Subsidiary Guarantor" means, as at any date, any Subsidiary Guarantor having assets with a fair market value of \$40,000,000 or more.

"Special Counsel" means Milbank, Tweed, Hadley & McCloy LLP, in its capacity as special counsel to The Chase Manhattan Bank, as Administrative Agent of the credit facilities contemplated hereby.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject (a) with respect to the Base CD Rate, for new negotiable nonpersonal time deposits in dollars of over \$100,000 with maturities approximately equal to three months and (b) with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subordinated Indebtedness" means, collectively, (i) Indebtedness in respect of the Senior Subordinated Notes and the New Senior Subordinated Notes (and, effective upon any extension, renewal, refunding or replacement of any of the Senior Subordinated Notes as contemplated in Section 7.01(c), any Refunding Indebtedness), (ii) the 8% Series A Unsecured Subordinated Discount Debentures of the Borrower due 2001 (of which \$1,273,134 are outstanding on the date hereof) and (iii) the 8% unsecured Subordinated Notes of the Borrower due 2006 (of which \$14,666,665 are outstanding on the date hereof).

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. References herein to "Subsidiaries" shall, unless the context requires otherwise, be deemed to be references to Subsidiaries of the Borrower.

"Subsidiary Guarantors" means the Persons listed under the caption "SUBSIDIARY GUARANTORS" on the signature pages hereto or which become a party hereto as a "Subsidiary Guarantor" hereunder pursuant to any Joinder Agreement.

Credit Agreement

"Surety Bonds" means surety or other similar bonds required to be posted by the Borrower and its Restricted Subsidiaries in the ordinary course of their respective businesses or posted on behalf of Affiliates in the ordinary course of their respective businesses.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Loans" means, collectively, the Tranche A Term Loans and the Tranche B Term Loans.

"Three-Month Secondary CD Rate" means, for any day, the secondary market rate for three-month certificates of deposit reported as being in effect on such day (or, if such day is not a Business Day, the next preceding Business Day) by the Board through the public information telephone line of the Federal Reserve Bank of New York (which rate will, under the current practices of the Board, be published in Federal Reserve Statistical Release H.15(519) during the week following such day), or, if such rate is not so reported on such day or such next preceding Business Day, the average of the secondary market quotations for three-month certificates of deposit of major money center banks in New York City received at approximately 10:00 a.m., New York City time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) by the Administrative Agent from three negotiable certificate of deposit dealers of recognized standing selected by it.

"Total Debt Ratio" means, as at any date, the ratio of (a) all Indebtedness of Holdings and the Borrower and its Restricted Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) on such date to (b) EBITDA for the period of four consecutive fiscal quarters ending on or most recently ended prior to such date.

"Tranche A Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Tranche A Term Loans on the Effective Date, expressed as an amount representing the maximum aggregate principal amount of the Tranche A Term Loans to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Sections 2.07 and 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender's Tranche A Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Tranche A Commitment, as applicable. The aggregate original amount of the Tranche A Commitments is \$450,000,000.

"Tranche A Lender" means (a) initially, a Lender that has a Tranche A Commitment set forth opposite its name on Schedule 2.01 and (b) thereafter, the Lenders from time to time holding Tranche A Term Loans and Tranche A Commitments, after giving effect to any assignments thereof permitted by Section 10.04.

"Tranche A Maturity Date" means March 1, 2006.

"Tranche A Term Loan" means a Loan made pursuant to Section 2.01(b) that utilizes the Tranche A Commitment.

Credit Agreement

"Tranche B Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Tranche B Term Loans on the Effective Date, expressed as an amount representing the maximum aggregate principal amount of the Tranche B Term Loans to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Sections 2.07 and 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04. The initial amount of each Lender's Tranche B Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Tranche B Commitment, as applicable. The aggregate original amount of the Tranche B Commitments is \$200,000,000.

"Tranche B Lender" means (a) initially, a Lender that has a Tranche B Commitment set forth opposite its name on Schedule 2.01 and (b) thereafter, the Lenders from time to time holding Tranche B Term Loans and Tranche B Commitments, after giving effect to any assignments thereof permitted by Section 10.04.

"Tranche B Maturity Date" means August 1, 2006.

"Tranche B Term Loan" means a Loan made pursuant to Section 2.01(c) that utilizes the Tranche B Commitment.

"Transactions" means (a) with respect to the Borrower, the execution, delivery and performance by the Borrower of the Loan Documents to which it is a party, the borrowing of Loans and the use of the proceeds thereof, and the issuance of Letters of Credit hereunder and (b) with respect to any Credit Party (other than the Borrower), the execution, delivery and performance by such Credit Party of the Loan Documents to which it is a party.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Adjusted Base Rate.

"Unrestricted Subsidiaries" means any Subsidiary of the Borrower that (a) shall have been designated as an "Unrestricted Subsidiary" in accordance with the provisions of Section 1.05 and (b) any Subsidiary of an Unrestricted Subsidiary.

"U.S. dollars" or "\$" refers to lawful money of the United States of America.

"Wholly Owned Subsidiary" means, with respect to any Person at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing 100% of the equity or ordinary voting power (other than directors' qualifying shares) or, in the case of a partnership, 100% of the general partnership interests are, as of such date, directly or indirectly owned, controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person. The term "Wholly Owned Restricted Subsidiary" shall refer to any Restricted Subsidiary that is also a Wholly Owned Subsidiary.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. CLASSIFICATION OF LOANS AND BORROWINGS. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Credit Loan", "Tranche A Term Loan", "Tranche B Term Loan" or "Incremental Loan") or by Type (e.g., a "Base Rate Loan", or a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Revolving Credit Loan" or a "Base Rate Revolving Credit Loan"); each Series of Incremental Loans shall be deemed a separate Class of Loans hereunder. In similar fashion, (i) Borrowings may be classified and referred to by Class, by Type and by Class and Type, and (ii) Commitments may be classified and referred to by Class; each Series of Incremental Loan Borrowings and Incremental Loan Commitments shall be deemed a separate Borrowing and Commitment hereunder.

SECTION 1.03. TERMS GENERALLY. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. ACCOUNTING TERMS; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Credit Agreement

## SECTION 1.05. SUBSIDIARIES; DESIGNATION OF UNRESTRICTED

SUBSIDIARIES. The Borrower may at any time designate any of its Subsidiaries (including any newly acquired or newly formed Subsidiary) to be an "Unrestricted Subsidiary" for purposes of this Agreement, by delivering to the Administrative Agent a certificate of a Financial Officer (and the Administrative Agent shall promptly forward a copy of such certificate to each Lender) attaching a copy of a resolution of its Board of Directors (or authorized subcommittee thereof) setting forth such designation and stating that the conditions set forth in this Section 1.05 have been satisfied with respect to such designation, provided that no such designation shall be effective unless (x) at the time of such designation and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and (y) at the time of such designation and at all times thereafter:

(a) except as permitted under Section 7.03, no portion of the Indebtedness or any other obligation (contingent or otherwise) of such Unrestricted Subsidiary (other than obligations in respect of performance and surety bonds and in respect of reimbursement obligations for undrawn letters of credit supporting insurance arrangement and performance and surety bonds, each incurred in the ordinary course of business and not as part of a financing transaction (collectively, "Permitted Unrestricted Subsidiary Obligations")) (A) is guaranteed by the Borrower or any Restricted Subsidiary or (B) is recourse to or obligates the Borrower or any Restricted Subsidiary of the Borrower, directly or indirectly, contingently or otherwise, to satisfaction thereof,

(b) such Unrestricted Subsidiary has no Indebtedness or any other obligation (other than Permitted Unrestricted Subsidiary Obligations) that, if in default in any respect (including a payment default), would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Borrower or its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity and

(c) such Subsidiary is an "Unrestricted Subsidiary" under the Senior Subordinated Notes Indentures and New Senior Subordinated Notes Indentures.

Notwithstanding the foregoing, the Borrower shall be entitled to designate any Subsidiary as an Unrestricted Subsidiary hereunder even though such Subsidiary shall, at the time of such designation, be obligated with respect to Guarantees under the Senior Subordinated Notes Indenture or any New Senior Subordinated Notes Indenture, provided that at the time of such designation, (i) the Borrower is taking such action as is necessary to cause such Subsidiary to be released from such Guarantees and (ii) such designation shall not become effective until such time as such release shall be obtained.

Any designation of a Subsidiary as an Unrestricted Subsidiary shall be deemed an Investment in an amount equal to the fair market value of such Subsidiary (as determined in good faith by the board of directors of the Borrower) and any such designation shall be permitted only if it complies with the provisions of Section 7.05. Any designation of an Unrestricted Subsidiary as a Restricted Subsidiary shall be deemed an Acquisition of such Unrestricted Subsidiary and shall be permitted only to the extent permitted as an Acquisition under Section 7.04(e). The Borrower shall give the Administrative Agent and each Lender prompt notice of

each resolution adopted by the Board of Directors (or authorized subcommittee thereof) of the Borrower under this Section 1.05 designating any Subsidiary as an Unrestricted Subsidiary (and notice of each designation of an Unrestricted Subsidiary as a Restricted Subsidiary), together with a copy of each such resolution adopted.

## ARTICLE II

### The Credits

#### SECTION 2.01. COMMITMENTS.

(a) Revolving Credit Loans. Subject to the terms and conditions set forth herein, each Revolving Credit Lender agrees to make Revolving Credit Loans to the Borrower from time to time during the Revolving Credit Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Credit Loans exceeding such Lender's Revolving Credit Commitment, provided that the total Revolving Credit Exposure shall not at any time exceed the total Revolving Credit Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Credit Loans.

Proceeds of Revolving Credit Loans shall be available for any use permitted under the applicable provisions of Section 6.09, provided that, in the event that, as contemplated by Section 2.09(b)(ii), the Borrower shall prepay Revolving Credit Loans from the proceeds of a Disposition hereunder, then an amount of Revolving Credit Commitments, as specified by the Borrower pursuant to the next sentence, equal to the amount of such prepayment (herein the "Reserved Commitment Amount") shall be reserved and shall not be available for borrowings hereunder except and to the extent that the proceeds of such borrowings are to be applied to make Capital Expenditures or Acquisitions permitted hereunder, or to make prepayments of Loans under Section 2.09(b)(ii)(z)(B). The Borrower agrees, upon the occasion of any Borrowing of Revolving Credit Loans hereunder that is to constitute a utilization of any Reserved Commitment Amount, to advise the Administrative Agent in writing of such fact at the time of such Borrowing, identifying the amount of such Borrowing that is to constitute such utilization, the Capital Expenditure or Acquisition in respect of which the proceeds of such Borrowing are to be applied and the reduced Reserved Commitment Amount to be in effect after giving effect to such Borrowing.

(b) Tranche A Term Loans. Subject to the terms and conditions set forth herein, each Tranche A Lender agrees to make Tranche A Term Loans to the Borrower on the Effective Date in an aggregate principal amount up to but not exceeding its Tranche A Commitment. Tranche A Term Loans that are prepaid may not be reborrowed.

(c) Tranche B Term Loans. Subject to the terms and conditions set forth herein, each Tranche B Lender agrees to make Tranche B Term Loans to the Borrower on the Effective Date, in an aggregate principal amount up to but not exceeding its Tranche B Commitment. Tranche B Term Loans that are prepaid may not be reborrowed.

Credit Agreement

(d) Incremental Loans. In addition to Borrowings of Revolving Credit Loans and Term Loans pursuant to paragraphs (a), (b) and (c) above, at any time and from time to time prior to the Incremental Loan Commitment Termination Date, the Borrower may request that the Lenders offer to enter into commitments to make additional term loans (each such loan being herein called an "Incremental Loan") under this paragraph (d). In the event that one or more of the Lenders offer, in their sole discretion, to enter into such commitments, and such Lenders and the Borrower agree as to the amount of such commitments that shall be allocated to the respective Lenders making such offers and the fees (if any) to be payable by the Borrower in connection therewith, such Lenders shall become obligated to make Incremental Loans under this Agreement in an amount equal to the amount of their respective Incremental Loan Commitments. The Incremental Loans to be made pursuant to any such agreement between the Borrower and one or more Lenders in response to any such request by the Borrower shall be deemed to be a separate "Series" of Incremental Loans for all purposes of this Agreement. Anything herein to the contrary notwithstanding, (i) the minimum aggregate principal amount of Incremental Loan Commitments entered into pursuant to any such request (and, accordingly, the minimum aggregate principal amount of any Series of Incremental Loans) shall be \$10,000,000 and (ii) the aggregate principal amount of all Incremental Loan Commitments and Incremental Loans shall not exceed \$400,000,000.

Following the acceptance by the Borrower of the offers made by any one or more Lenders to make any Series of Incremental Loans pursuant to the foregoing provisions of this paragraph (d), each Incremental Loan Lender in respect of such Series of Incremental Loans severally agrees, on the terms and conditions of this Agreement, to make such Incremental Loans to the Borrower in Dollars during the period from and including the date of such acceptance to but excluding the Incremental Loan Commitment Termination Date in an aggregate principal amount up to but not exceeding the amount of the Incremental Loan Commitment of such Incremental Loan Lender in respect of such Series as in effect from time to time. Thereafter, subject to the terms and conditions of this Agreement, the Borrower may convert Incremental Loans of such Series of one Type into Incremental Loans of such Series of another Type (as provided in Section 2.06) or continue Incremental Loans of such Series of one Type as Incremental Loans of such Series of the same Type (as provided in Section 2.06). Incremental Loans of any Series that are prepaid may not be reborrowed as Incremental Loans of the same Series.

Proceeds of Incremental Loans shall be available for any use permitted under the applicable provisions of Section 6.09.

#### SECTION 2.02. LOANS AND BORROWINGS.

(a) Obligations Several. Each Loan of a particular Class (and, in the case of Incremental Loans, of a particular Series) shall be made as part of a Borrowing consisting of Loans of such Class (and, if applicable, of such Series) made by the Lenders ratably in accordance with their respective Commitments of such Class (and, if applicable, of such Series). The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

Credit Agreement

(b) Type of Loans. Subject to Section 2.12, each Borrowing shall be comprised entirely of Base Rate Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Minimum Amounts. At the commencement of each Interest Period for a Eurodollar Borrowing, such Borrowing shall be in an aggregate amount at least equal to \$2,000,000 or any greater multiple of \$1,000,000. At the time that each Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is at least equal to \$500,000 or any greater multiple of \$500,000; provided that (i) a Base Rate Borrowing of Loans of any Class may be in an aggregate amount that is equal to the entire unused balance of the total Commitments of such Class (or, in the case of an Incremental Loan Commitment of any Series, in an aggregate amount that is equal to the entire unused balance of the total Commitments of such Series) and (ii) a Revolving Credit Base Rate Borrowing may be in an amount that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of ten Eurodollar Borrowings outstanding.

SECTION 2.03. REQUESTS FOR BORROWINGS. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of a Base Rate Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of the proposed Borrowing; provided that any such notice of a Revolving Credit Base Rate Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) whether the requested Borrowing is to be a Revolving Credit Borrowing, a Tranche A Borrowing, a Tranche B Borrowing, or an Incremental Loan Borrowing (including, if applicable, the respective Series of Incremental Loans to which such Borrowing relates);

(ii) the aggregate amount of such Borrowing;

(iii) the date of such Borrowing, which shall be a Business Day;

(iv) whether such Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing;

Credit Agreement

(v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Base Rate Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Anything herein to the contrary notwithstanding, the initial Borrowing hereunder shall be a Base Rate Borrowing.

#### SECTION 2.04. LETTERS OF CREDIT.

(a) General. Subject to the terms and conditions set forth herein, in addition to the Revolving Credit Loans provided for in Section 2.01(a), the Borrower may request the issuance of Letters of Credit for its own account by the Issuing Lender, in a form reasonably acceptable to the Issuing Lender, at any time and from time to time during the Revolving Credit Availability Period. Letters of Credit issued hereunder shall constitute utilization of the Revolving Credit Commitments. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Lender) to the Issuing Lender and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, the date of issuance, amendment, renewal or extension, the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section 2.04), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Lender, the Borrower also shall submit a letter of credit application on the Issuing Lender's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure of the Issuing Lender (determined for these purposes without giving effect to the

participations therein of the Revolving Credit Lenders pursuant to paragraph (d) of this Section 2.04) shall not exceed \$50,000,000 and (ii) the total Revolving Credit Exposure shall not exceed the total Revolving Credit Commitments.

(c) Expiration Date. Each Letter of Credit shall expire (without giving effect to any extension thereof by reason of an interruption of business) at or prior to the close of business on the earlier of (i) the date two years after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, two years after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Credit Termination Date, provided that any such Letter of Credit may provide for automatic extensions thereof to a date not later than one year beyond the current expiration date, so long as such extended expiration date is not later than the date five Business Days prior to the Revolving Credit Termination Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) by the Issuing Lender, and without any further action on the part of the Issuing Lender, the Issuing Lender hereby grants to each Revolving Credit Lender, and each Revolving Lender hereby acquires from the Issuing Lender, a participation in such Letter of Credit equal to such Revolving Credit Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Credit Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Lender, such Revolving Credit Lender's Applicable Percentage of each LC Disbursement made by the Issuing Lender and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section 2.04, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Lender shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse the Issuing Lender in respect of such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 10:00 a.m., New York City time, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time, provided that, if such LC Disbursement is not less than \$500,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with a Revolving Credit Base Rate Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Revolving Credit Base Rate Borrowing.

If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Credit Lender of the applicable LC Disbursement, the payment then

Credit Agreement

due from the Borrower in respect thereof and such Revolving Credit Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Credit Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.05 with respect to Revolving Credit Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Revolving Credit Lenders), and the Administrative Agent shall promptly pay to the Issuing Lender the amounts so received by it from the Revolving Credit Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Lender or, to the extent that the Revolving Credit Lenders have made payments pursuant to this paragraph to reimburse the Issuing Lender, then to such Lenders and the Issuing Lender as their interests may appear. Any payment made by a Revolving Credit Lender pursuant to this paragraph to reimburse the Issuing Lender for any LC Disbursement shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section 2.04 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Lender under a Letter of Credit against presentation of a draft or other document that does not comply strictly with the terms of such Letter of Credit and (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.04, constitute a legal or equitable discharge of the Borrower's obligations hereunder.

Neither the Administrative Agent, the Lenders nor the Issuing Lender, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit by the Issuing Lender or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Lender; provided that the foregoing shall not be construed to excuse the Issuing Lender from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Lender's gross negligence or willful misconduct when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that:

(i) the Issuing Lender may accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit without responsibility for

Credit Agreement

further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit;

(ii) the Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit; and

(iii) this sentence shall establish the standard of care to be exercised by the Issuing Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by applicable law, any standard of care inconsistent with the foregoing).

(g) Disbursement Procedures. The Issuing Lender shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under any Letter of Credit. The Issuing Lender shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by teletype) of such demand for payment and whether the Issuing Lender has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Lender and the Revolving Credit Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Lender shall make any LC Disbursement in respect of any Letter of Credit, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Revolving Credit Base Rate Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section 2.04, then Section 2.11(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Lender, except that interest accrued on and after the date of payment by any Revolving Credit Lender pursuant to paragraph (e) of this Section 2.04 to reimburse the Issuing Lender shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateralization. If either (i) an Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent or the Required Revolving Credit Lenders demanding the deposit of cash collateral pursuant to this paragraph, or (ii) the Borrower shall be required to provide cover for LC Exposure pursuant to Section 2.08 or 2.09(b), the Borrower shall immediately deposit into the Collateral Account under and as defined in the Pledge Agreement an amount in cash equal to, in the case of an Event of Default, the LC Exposure as of such date plus any accrued and unpaid interest thereon and, in the case of cover pursuant to Section 2.08 or 2.09(b), the amount required under Section 2.08 or 2.09(b), as the case may be; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to any Credit Party described in clause (g) or (h) of Article VIII. Such deposit shall be held by the

Credit Agreement

Administrative Agent as collateral in the first instance for the LC Exposure under this Agreement and thereafter for the payment of any other obligations of the Obligors hereunder.

(j) Existing Letters of Credit. There is outstanding on the date hereof pursuant to the Existing Credit Agreement one or more letters of credit issued by Chase (as the "Issuing Lender" thereunder) for the account of the Borrower. Upon the Effective Date each of such letters of credit is hereby designated a "Letter of Credit" under and for all purposes of this Agreement. In that connection, the Borrower hereby represents and warrants to the Issuing Lender, each Revolving Credit Lender and the Administrative Agent that each such letter of credit satisfies the requirements of this Section 2.04 (including paragraph (c) above).

#### SECTION 2.05. FUNDING OF BORROWINGS.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request; provided that Revolving Credit Base Rate Loans made to finance the reimbursement of an LC Disbursement under any Letter of Credit as provided in Section 2.04(e) shall be remitted by the Administrative Agent to the Issuing Lender.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.05 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

#### SECTION 2.06. INTEREST ELECTIONS.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.06. The Borrower may elect different options for continuations and conversions with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated

Credit Agreement

ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section 2.06, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies (including, if applicable, the respective Series of Incremental Loans to which such Interest Election Request relates) and, if different options for continuations or conversions are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each affected Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to a Base Rate Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar

Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to a Base Rate Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.07. TERMINATION AND REDUCTION OF COMMITMENTS.

(a) Unless previously terminated, (i) the Revolving Credit Commitments shall terminate at the close of business on the Revolving Credit Termination Date, (ii) the Tranche A Commitment and the Tranche B Commitment shall terminate on the Effective Date and (iii) the Incremental Loan Commitments shall terminate on the Incremental Loan Commitment Termination Date.

(b) The aggregate amount of the Revolving Credit Commitments shall be automatically reduced at the close of business on each Revolving Credit Commitment Reduction Date set forth in column (A) below to the amount set forth in column (B) below opposite such Revolving Credit Commitment Reduction Date:

(A) Revolving Credit Commitment Reduction Date Falling on or Nearest to: -----	(B) Revolving Credit Commitment Reduced to the Following Amounts -----
March 31, 2002	\$341,250,000
June 30, 2002	\$332,500,000
September 30, 2002	\$323,750,000
December 31, 2002	\$315,000,000
March 31, 2003	\$306,250,000
June 30, 2003	\$297,500,000
September 30, 2003	\$288,750,000
December 31, 2003	\$280,000,000
March 31, 2004	\$253,750,000
June 30, 2004	\$227,500,000
September 30, 2004	\$201,250,000
December 31, 2004	\$175,000,000
March 31, 2005	\$144,375,000
June 30, 2005	\$113,750,000
September 30, 2005	\$ 83,125,000
December 31, 2005	\$ 52,500,000
March 1, 2006	\$0

(c) The Borrower may at any time terminate, or from time to time reduce, the Commitments of any Class (including the Commitments of any Series of Incremental Loans); provided that (i) each reduction of the Commitments of such Class shall be in an amount that is

at least equal to \$3,000,000 or any greater multiple of \$1,000,000, (ii) the Borrower shall not terminate or reduce the Commitments of such Class if, after giving effect to any concurrent prepayment of Loans in accordance with Section 2.09, the outstanding Loans of such Class would exceed the total Commitments of such Class and (iii) the Borrower shall not terminate or reduce the Revolving Credit Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.09, the total Revolving Credit Exposures would exceed the total Revolving Credit Commitments.

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce Commitments under paragraph (c) of this Section 2.07 at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.07 shall be irrevocable; provided that a notice of termination of Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of Commitments shall be permanent. Each reduction of Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

#### SECTION 2.08. REPAYMENT OF LOANS; EVIDENCE OF DEBT.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Revolving Credit Lender the then unpaid principal amount of such Lender's Revolving Credit Loans on the Revolving Credit Termination Date. In addition, if following any Revolving Credit Commitment Reduction Date the aggregate principal amount of the Revolving Credit Exposure shall exceed the Revolving Credit Commitments, the Borrower shall pay Revolving Credit Loans (and/or provide cover for LC Exposure as specified in Section 2.04(i)) in an aggregate amount equal to such excess.

(b) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the Tranche A Lenders the outstanding principal amount of the Tranche A Term Loans on each Principal Payment Date set forth below in the aggregate principal amount set forth opposite such Principal Payment Date:

Principal Payment Date -----	Principal Amount -----
September 30, 2001	\$22,500,000
December 31, 2001	\$22,500,000
March 31, 2002	\$11,250,000
June 30, 2002	\$11,250,000
September 30, 2002	\$11,250,000
December 31, 2002	\$11,250,000

Credit Agreement

March 31, 2003	\$22,500,000
June 30, 2003	\$22,500,000
September 30, 2003	\$22,500,000
December 31, 2003	\$22,500,000
March 31, 2004	\$28,125,000
June 30, 2004	\$28,125,000
September 30, 2004	\$28,125,000
December 31, 2004	\$28,125,000
March 31, 2005	\$31,500,000
June 30, 2005	\$31,500,000
September 30, 2005	\$31,500,000
December 31, 2005	\$31,500,000
March 1, 2006	\$31,500,000

If the initial aggregate amount of the Tranche A Commitments exceeds the aggregate principal amount of Tranche A Term Loans that are outstanding on the Effective Date, then the scheduled repayments of Borrowings to be made pursuant to this Section shall be reduced ratably by an aggregate amount equal to such excess. To the extent not previously paid, all Tranche A Term Loans shall be due and payable on the Tranche A Maturity Date.

(c) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the Tranche B Lenders the outstanding principal amount of the Tranche B Term Loans on each Principal Payment Date set forth below in the aggregate principal amount set forth opposite such Principal Payment Date:

Principal Payment Date -----	Principal Amount -----
September 30, 2001	\$500,000
December 31, 2001	\$500,000
March 31, 2002	\$500,000
June 30, 2002	\$500,000
September 30, 2002	\$500,000
December 31, 2002	\$500,000
March 31, 2003	\$500,000
June 30, 2003	\$500,000
September 30, 2003	\$500,000
December 31, 2003	\$500,000

Credit Agreement

March 31, 2004	\$500,000
June 30, 2004	\$500,000
September 30, 2004	\$500,000
December 31, 2004	\$500,000
March 31, 2005	\$500,000
June 30, 2005	\$500,000
September 30, 2005	\$500,000
December 31, 2005	\$500,000
March 31, 2006	\$500,000
June 30, 2006	\$500,000
August 1, 2006	\$190,000,000

If the initial aggregate amount of the Tranche B Commitments exceeds the aggregate principal amount of Tranche B Term Loans that are outstanding on the Effective Date, then the scheduled repayments of Borrowings to be made pursuant to this Section shall be reduced ratably by an aggregate amount equal to such excess. To the extent not previously paid, all Tranche B Term Loans shall be due and payable on the Tranche B Maturity Date.

(d) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the Incremental Loan Lenders of any Series the principal of the Incremental Loans of such Series in consecutive quarterly installments on such dates and in such amounts as shall be agreed upon between the Borrower and such Lenders at the time the Incremental Loan Commitments of such Series are established, provided that in no event shall the average life to maturity (determined in accordance with GAAP) of the Incremental Loans of any Series be earlier than the average life to maturity (so determined) of the Tranche A Loans.

(e) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(f) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof (and, in the case of Incremental Loans, the respective Series thereof) and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(g) The entries made in the accounts maintained pursuant to paragraph (e) or (f) of this Section 2.08 shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(h) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

#### SECTION 2.09. PREPAYMENT OF LOANS.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (d) of this Section 2.09. Each prepayment of Term Loans or Incremental Loans shall be applied to the Term Loans and Incremental Loans ratably in accordance with the respective outstanding principal amounts of such Term Loans and Incremental Loans (and, in the case of Incremental Loans, to all Series thereof ratably in accordance with the respective outstanding principal amounts of such Series), and to the installments thereof due on the two Quarterly Dates immediately following the date of such prepayment, in direct order of maturity, and, thereafter, pro rata in accordance with the respective aggregate principal amounts of the Term Loans and Incremental Loans outstanding on the date of such prepayment.

(b) Mandatory Prepayments. The Borrower shall make prepayments of the Loans hereunder as follows:

(i) Casualty Events. Upon the date 270 days following the receipt by the Borrower or any of its Subsidiaries of the proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event affecting any property of the Borrower or any of its Restricted Subsidiaries (or upon such earlier date as the Borrower or such Restricted Subsidiary, as the case may be, shall have determined not to repair or replace the property affected by such Casualty Event), the Borrower shall prepay the Loans (and/or provide cover for LC Exposure as specified in Section 2.04(i)) in an aggregate amount, if any, equal to 100% of the Net Available Proceeds of such Casualty Event not theretofore applied or committed to be applied to the repair or replacement of such property (it being understood that if Net Available Proceeds committed to be applied are not in fact applied within twelve months of the respective Casualty Event, then such Proceeds shall be applied to the prepayment of Loans and cover for LC Exposure as provided in this clause (i) at the expiration of such twelve-month period), such prepayment and reduction to be effected in each case in the manner and to the extent specified in clause (iv) of this Section 2.09(b).

(ii) Sale of Assets. Without limiting the obligation of the Borrower to obtain the consent of the Required Lenders to any Disposition not otherwise permitted hereunder, the Borrower agrees, on or prior to the occurrence of any Disposition, to deliver to the Administrative Agent a statement certified by a Financial Officer, in form and detail

reasonably satisfactory to the Administrative Agent, of the estimated amount of the Net Cash Payments of such Disposition that will (on the date of such Disposition) be received by the Borrower or any of its Subsidiaries in cash and, unless the Borrower shall elect to reinvest such Net Cash Payments as provided below, the Borrower will prepay the Loans hereunder (and provide cover for LC Exposure as specified in Section 2.04(i)) as follows:

(w) upon the date of such Disposition, in an aggregate amount equal to 100% of such estimated amount of the Net Cash Payments of such Disposition, to the extent received by the Borrower or any of its Subsidiaries in cash on the date of such Disposition; and

(x) thereafter, quarterly, on the date of the delivery by the Borrower to the Administrative Agent pursuant to Section 6.01 of the financial statements for any quarterly fiscal period or fiscal year, to the extent the Borrower or any of its Subsidiaries shall receive Net Cash Payments during the quarterly fiscal period ending on the date of such financial statements in cash under deferred payment arrangements or Disposition Investments entered into or received in connection with any Disposition, an amount equal to (A) 100% of the aggregate amount of such Net Cash Payments minus (B) any transaction expenses associated with Dispositions and not previously deducted in the determination of Net Cash Payments plus (or minus, as the case may be) (C) any other adjustment received or paid by the Borrower or any of its Subsidiaries pursuant to the respective agreements giving rise to Dispositions and not previously taken into account in the determination of the Net Cash Payments of Dispositions, provided that if prior to the date upon which the Borrower would otherwise be required to make a prepayment under this clause (x) with respect to any quarterly fiscal period the aggregate amount of such Net Cash Payments (after giving effect to the adjustments provided for in this clause (x)) shall exceed \$5,000,000, then the Borrower shall within three Business Days make a prepayment under this clause (x) in an amount equal to such required prepayment.

Prepayments of Loans (and cover for LC Exposure) shall be effected in each case in the manner and to the extent specified in clause (iv) of this Section 2.09(b).

Notwithstanding the foregoing, the Borrower shall not be required to make a prepayment (or provide cover) pursuant to this Section 2.09(b) (ii) with respect to the Net Cash Payments from any Disposition in the event that the Borrower advises the Administrative Agent at the time a prepayment is required to be made under the foregoing clauses (w) or (x) that it intends to reinvest such Net Cash Payments into assets reasonably related to the outdoor advertising, out-of-home media and logo signage business pursuant to one or more Capital Expenditures or Acquisitions permitted hereunder, so long as:

(y) such Net Cash Payments are either (A) placed by the Borrower into a segregated deposit account pending such reinvestment or (B) applied by the Borrower to the prepayment of Revolving Credit Loans hereunder (in which event the Borrower agrees to advise the Administrative Agent in writing at the time of

Credit Agreement

such prepayment of Revolving Credit Loans that such prepayment is being made from the proceeds of a Disposition and that, as contemplated by the second paragraph of Section 2.01(a), a portion of the Revolving Credit Commitments equal to the amount of such prepayment gives rise to a Reserved Commitment Amount that shall be available hereunder only for purposes of making Capital Expenditures or Acquisitions permitted hereunder or to make prepayments of Loans under clause (z)(B) below), and

(z) the Net Cash Payments from any Disposition are in fact so reinvested within 180 days of such Disposition (it being understood that, in the event Net Cash Payments from more than one Disposition are deposited into a segregated deposit account or applied to the prepayment of Revolving Credit Loans as provided in clause (y) above, such Net Cash Payments shall be deemed to be applied (or, as the case may be, Revolving Credit Loans utilizing the Reserved Commitment Amount shall be deemed to be made) in the same order in which such Dispositions occurred and, accordingly, (A) any such Net Cash Payments so held for more than 180 days shall be forthwith applied to the prepayment of Loans (and cover for LC Exposure) as provided in clause (iv) of this Section 2.09(b) and (B) any Reserved Commitment Amount that remains so unutilized for 180 days shall be utilized through the borrowing by the Borrower of Revolving Credit Loans the proceeds of which shall be applied to the prepayment of Loans (and cover for LC Exposure) as provided in clause (iv) of this Section 2.09(b)).

In the event that any Reserved Commitment Amount with respect to any Disposition shall remain unutilized for 180 days and the Borrower shall for any reason not borrow Revolving Credit Loans the proceeds of which are applied to the prepayment of Loans (and cover for LC Exposure) as provided above in this clause (ii), the Revolving Credit Lenders agree (which agreement shall be absolute and unconditional, regardless of whether or not the conditions to a borrowing of Revolving Credit Loans hereunder shall have been satisfied and regardless of the occurrence or continuance of any Event of Default, including any Event of Default described in paragraphs (g) or (h) of Article VIII) to purchase participations in the Loans of the Term Loan Lenders and Incremental Loan Lenders in amounts equivalent to the amount of the respective prepayments that each of such Lenders would have received had such borrowing of Revolving Credit Loans occurred as provided above.

Anything herein to the contrary notwithstanding, the Borrower shall not be required to make any prepayment pursuant to this clause (ii) with respect to the first \$10,000,000 of Net Cash Payments.

(iii) Change of Control. Upon the occurrence of any "Change of Control" under and as defined in the Senior Subordinated Notes Indenture or New Senior Subordinated Notes Indenture (or any similar provision in the applicable governing agreement for any Refunding Indebtedness), the Borrower shall prepay the Loans hereunder (and provide cover for LC Exposure as specified in Section 2.04(i)), and the Commitments hereunder shall be automatically terminated.

Credit Agreement

(iv) Application. Upon the occurrence of any of the events described in the above paragraphs of this Section 2.09(b), the amount of the required prepayment shall be applied first, to the prepayment of the Term Loans and Incremental Loans, in each case ratably in accordance with the respective then-outstanding aggregate amounts of such Loans, and second, after the prepayment in full of the Term Loans and Incremental Loans, to the repayment of the Revolving Credit Loans, without reduction of Revolving Credit Commitments. Each such prepayment of the Term Loans and Incremental Loans shall be applied ratably to the installments thereof.

Notwithstanding the foregoing, to the extent that at the time of any prepayment described above there are Tranche A Term Loans outstanding, any Tranche B Term Lender may, by notice to the Borrower and the Administrative Agent, decline all or any portion (in a minimum amount at least equal to \$1,000,000) of the prepayment to which it would otherwise be entitled, provided that the portion of such prepayment so declined by any such Tranche B Term Lender shall be applied to the prepayment of the Tranche A Term Loans.

(c) Mandatory Prepayments -- Outstandings Exceeding Commitments. The Borrower shall prepay the Revolving Credit Loans (and/or provide cover for the LC Exposure as specified in Section 2.04(i)) in the event that the aggregate amount of the Revolving Credit Exposure shall at any time exceed the aggregate amount of the Revolving Commitments.

(d) Notification of Prepayments. The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of a Base Rate Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice relating to a Borrowing of a particular Class, the Administrative Agent shall advise the Lenders holding Loans of such Class of the contents thereof. Each partial prepayment of any Borrowing under paragraph (a) of this Section 2.09 shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02.

(e) Prepayments Accompanied by Interest. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11.

#### SECTION 2.10. FEES.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at a rate per annum equal to 0.375% on the daily average unused amount of the Revolving Credit Commitments and Term Loan Commitments of such Lender during the period from and including the date hereof to but excluding the date on which such Revolving Credit Commitment or Term Loan Commitment

terminates. Accrued commitment fees shall be payable in arrears on each Quarterly Date and, in respect of any Revolving Credit Commitments or Term Loan Commitments, on the date such Revolving Credit Commitments or Term Loan Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay with respect to Letters of Credit outstanding hereunder the following fees:

(i) to the Administrative Agent for the account of each Revolving Credit Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at a rate per annum equal to the Applicable Margin used in determining interest on Revolving Credit Eurodollar Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Credit Commitment terminates and the date on which there shall no longer be any Letters of Credit outstanding hereunder, and

(ii) to the Issuing Lender (x) a fronting fee, which shall accrue at the rate of 3/16 of 1% per annum on the average daily amount of the LC Exposure of the Issuing Lender (determined for these purposes without giving effect to the participations therein of the Revolving Credit Lenders pursuant to paragraph (d) of Section 2.04, and excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Credit Commitments and the date on which there shall no longer be any Letters of Credit of the Issuing Lender outstanding hereunder, and (y) the Issuing Lender's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder.

Accrued participation fees and fronting fees shall be payable in arrears on each Quarterly Date and on the date the Revolving Credit Commitments terminate, commencing on the first such date to occur after the date hereof, provided that any such fees accruing after the date on which the Revolving Credit Commitments terminate shall be payable on demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed in writing between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances, absent manifest error in the determination thereof.

Credit Agreement

## SECTION 2.11. INTEREST.

(a) The Loans comprising each Base Rate Borrowing shall bear interest at a rate per annum equal to the Adjusted Base Rate plus the Applicable Margin.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Notwithstanding the foregoing, (i) except as otherwise provided in clause (ii) below, during the period when any Default shall have occurred and be continuing for a period of 90 or more days (and the Administrative Agent, acting on the instructions of the Required Lenders, shall have notified the Borrower that the provisions of this clause (i) shall apply), the principal of all Loans hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to the Adjusted Base Rate plus the Applicable Margin for Base Rate Loans plus 2% and (ii) if any principal on any Loan payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such principal shall bear interest, after as well as before judgment, at a rate per annum equal to the Adjusted Base Rate plus the Applicable Margin for Base Rate Loans plus 2%.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan; provided that (i) interest accrued pursuant to paragraph (c) of this Section 2.11 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Eurodollar Loan (or the repayment or prepayment in full of the Term Loans or Incremental Loans), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion, (iv) all accrued interest on Revolving Credit Loans shall be payable upon termination of the Revolving Credit Commitments.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Adjusted Base Rate at times when the Adjusted Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Adjusted Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. ALTERNATE RATE OF INTEREST. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) if such Borrowing is of a particular Class of Loans (including of a particular Series of Incremental Loans), the Administrative Agent is advised by the Required Revolving Credit Lenders, the Required Tranche A Lenders, the Required Tranche B Lenders or the Required Incremental Loan Lenders of such Series, as the case may be, that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans of such Class included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the affected Lenders by telephone or teletype as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and such Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any such Borrowing to, or continuation of any such Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as a Base Rate Borrowing.

SECTION 2.13. INCREASED COSTS.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Lender; or

(ii) impose on any Lender or the Issuing Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or the Issuing Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or the Issuing Lender reasonably determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Lender's capital or on the capital of such Lender's or the Issuing Lender's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued the Issuing Lender, to a level below that which such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's policies and the policies of such Lender's or the Issuing Lender's holding company with respect to capital adequacy), then from time to time

the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender, or such Lender's or the Issuing Lender's holding company, for any such reduction suffered.

(c) A certificate of a Lender or the Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or the Issuing Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section 2.13 shall be delivered to the Borrower and shall be conclusive so long as it reflects a reasonable basis for the calculation of the amounts set forth therein and does not contain any manifest error. The Borrower shall pay such Lender or the Issuing Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to this Section 2.13 shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section 2.13 for any increased costs or reductions incurred more than six months prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.14. BREAK FUNDING PAYMENTS. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice is permitted to be revocable and is revoked in accordance herewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event.

In the case of a Eurodollar Loan, the loss to any Lender attributable to any such event shall be deemed to include an amount determined by such Lender to be equal to the excess, if any, of

(i) the amount of interest that such Lender would pay for a deposit equal to the principal amount of such Loan for the period from the date of such payment, conversion, failure or assignment to the last day of the then current Interest Period for such Loan (or, in the case of a failure to borrow, convert or continue, the duration of the Interest Period that would have resulted from such borrowing, conversion or continuation) if the interest rate payable on such deposit were equal to the Adjusted LIBO Rate for such Interest Period,

over

Credit Agreement

(ii) the amount of interest that such Lender would earn on such principal amount for such period if such Lender were to invest such principal amount for such period at the interest rate that would be bid by such Lender (or an affiliate of such Lender) for U.S. dollar deposits from other banks in the eurodollar market at the commencement of such period.

A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.14 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

#### SECTION 2.15. TAXES

(a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.15) the Administrative Agent, Lender or the Issuing Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent, each Lender and the Issuing Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) paid by the Administrative Agent, such Lender or the Issuing Lender, as the case may be (and any penalties, interest and reasonable expenses arising therefrom or with respect thereto during the period prior to the Borrower making the payment demanded under this paragraph (c)), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Issuing Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender or the Issuing Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver

to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

SECTION 2.16. PAYMENTS GENERALLY; PRO RATA TREATMENT; SHARING OF SET-OFFS.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at such of its offices in New York City as shall be notified to the relevant parties from time to time, except payments to be made directly to the Issuing Lender as expressly provided herein and except that payments pursuant to Sections 2.13, 2.14, 2.15 and 10.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof, and the Borrower shall have no liability in the event timely or correct distribution of such payments is not so made. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in U.S. dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, to pay interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, to pay principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Except to the extent otherwise provided herein: (i) each borrowing of Loans of a particular Class (including of a particular Series of Incremental Loans) from the Lenders under Section 2.01 shall be made from the relevant Lenders, each payment of commitment fee under Section 2.10 in respect of Commitments of a particular Class (including of a particular Series of Incremental Loans) shall be made for account of the relevant Lenders, and each termination or reduction of the amount of the Commitments of a particular Class (including of a particular Series of Incremental Loans) under Section 2.07 shall be applied to the respective Commitments of such Class of the relevant Lenders, pro rata according to the amounts of their respective Commitments of such Class; (ii) Eurodollar Loans of any Class (including of a particular Series of Incremental Loans) having the same Interest Period shall be allocated pro rata among the relevant Lenders according to the amounts of their Commitments of such Class (in the case of the making of Loans) or their respective Loans of such Class (in the case of

conversions and continuations of Loans); (iii) each payment or prepayment by the Borrower of principal of Loans of a particular Class (including of a particular Series of Incremental Loans) shall be made for account of the relevant Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans of such Class held by them; (iv) each payment by the Borrower of interest on Loans of a particular Class (including of a particular Series of Incremental Loans) shall be made for account of the relevant Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders; and (v) each payment by the Borrower of participation fees in respect of Letters of Credit shall be made for the account of the Revolving Credit Lenders pro rata in accordance with the amount of participation fees then due and payable to the Revolving Credit Lenders.

(d) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans (or participations in LC Disbursements) of any Class resulting in such Lender receiving payment of a greater proportion of the aggregate principal amount of its Loans (and participations in LC Disbursements) of such Class and accrued interest thereon than the proportion of such amounts received by any other Lender of any other Class, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans (and LC Disbursements) of the other Lenders to the extent necessary so that the benefit of such payments shall be shared by all the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans (and participations in LC Disbursements); provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, unless the Lender from which such payment is received is required to pay interest thereon, in which case each Lender returning funds to such Lender shall pay its pro rata share of such interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans (or participations in LC Disbursements) to any assignee or participant, other than to any Credit Party or any subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender entitled thereto (the "Applicable Recipient") hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Applicable Recipient the amount due. In such event, if the Borrower has not in fact made such payment, then each Applicable Recipient severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Applicable Recipient with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Federal Funds Effective Rate.

Credit Agreement

(f) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(d), 2.04(e), 2.05(b) or 2.16(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Section until all such unsatisfied obligations are fully paid.

SECTION 2.17. MITIGATION OBLIGATIONS; REPLACEMENT OF LENDERS.

(a) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations, hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Credit Commitment is being assigned, the Issuing Lender), which consents shall not unreasonably be withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans (and participations in LC Disbursements), accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

## ARTICLE III

## Guarantee by Subsidiary Guarantors

SECTION 3.01. THE GUARANTEE. Each Subsidiary Guarantor hereby jointly and severally guarantees to each Lender, the Issuing Lender and the Administrative Agent and their respective successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loans made by the Lenders to the Borrower, all LC Disbursements and all other amounts from time to time owing to the Lenders, the Issuing Lender or the Administrative Agent by the Borrower hereunder or under any other Loan Document, and all obligations of the Borrower to any Lender under any Hedging Agreement, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the "Guaranteed Obligations"). Each Subsidiary Guarantor hereby further agrees that if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, each Subsidiary Guarantor will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

SECTION 3.02. OBLIGATIONS UNCONDITIONAL. The obligations of each Subsidiary Guarantor under Section 3.01 are absolute and unconditional irrespective of the value, genuineness, validity, regularity or enforceability of this Agreement, the other Loan Documents or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 3.02 that the obligations of the Subsidiary Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Subsidiary Guarantors hereunder which shall remain absolute and unconditional as described above:

(i) at any time or from time to time, without notice to such Subsidiary Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(ii) any of the acts mentioned in any of the provisions hereof or of the other Loan Documents or any other agreement or instrument referred to herein or therein shall be done or omitted;

(iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right hereunder or under the other Loan Documents or any other agreement or instrument referred to herein or therein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

Credit Agreement

(iv) any lien or security interest granted to, or in favor of, the Administrative Agent, the Issuing Lender or any Lender or Lenders as security for any of the Guaranteed Obligations shall fail to be perfected.

The Subsidiary Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent, the Issuing Lender or any Lender exhaust any right, power or remedy or proceed against the Borrower hereunder or under the other Loan Documents or any other agreement or instrument referred to herein or therein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

SECTION 3.03. REINSTATEMENT. The obligations of each Subsidiary Guarantor under this Article III shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each of the Subsidiary Guarantors agrees that it will indemnify the Administrative Agent, the Issuing Lender and each Lender on demand for all reasonable costs and expenses (including fees of counsel) incurred by the Administrative Agent, any Lender or the Issuing Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

SECTION 3.04. SUBROGATION. Each Subsidiary Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under the Federal Bankruptcy Code of 1978, as amended) or otherwise by reason of any payment by it pursuant to the provisions of this Article III and further agrees with the Borrower for the benefit of each of its creditors (including, without limitation, the Issuing Lender, each Lender and the Administrative Agent) that any such payment by it shall constitute a contribution of capital by such Subsidiary Guarantor to the Borrower.

SECTION 3.05. REMEDIES. Each Subsidiary Guarantor agrees that, as between such Subsidiary Guarantor and the Lenders, the obligations of the Borrower hereunder may be declared to be forthwith due and payable as provided in Article VIII or Section 2.04(i), as applicable (and shall be deemed to have become automatically due and payable in the circumstances provided in Article VIII or Section 2.04(i), as applicable) for purposes of Section 3.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by such Subsidiary Guarantor for purposes of Section 3.01.

SECTION 3.06. INSTRUMENT FOR THE PAYMENT OF MONEY. Each Subsidiary Guarantor hereby acknowledges that the guarantee in this Article III constitutes an instrument for the payment of money, and consents and agrees that the Issuing Lender, any

Credit Agreement

Lender or the Administrative Agent, at its sole option, in the event of a dispute by the Subsidiary Guarantors in the payment of any moneys due hereunder, shall have the right to bring motion-action under New York CPLR Section 3213.

SECTION 3.07. CONTINUING GUARANTEE. The guarantee in this Article III is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

SECTION 3.08. RIGHTS OF CONTRIBUTION. The Subsidiary Guarantors hereby agree, as between themselves, that if any Subsidiary Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Subsidiary Guarantor of any Guaranteed Obligations, each other Subsidiary Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Subsidiary Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Guaranteed Obligations. The payment obligation of a Subsidiary Guarantor to any Excess Funding Guarantor under this Section 3.08 shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Subsidiary Guarantor under the other provisions of this Article III and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations.

For purposes of this Section 3.08, (i) "Excess Funding Guarantor" means, in respect of any Guaranteed Obligations, a Subsidiary Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "Excess Payment" means, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "Pro Rata Share" means, for any Subsidiary Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Subsidiary Guarantor (excluding any shares of stock of, or ownership interest in, any other Subsidiary Guarantor) exceeds the amount of all the debts and liabilities of such Subsidiary Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Subsidiary Guarantor hereunder and any obligations of any other Subsidiary Guarantor that have been Guaranteed by such Subsidiary Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Obligors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Obligors hereunder and under the other Loan Documents) of all of the Obligors, determined (A) with respect to any Subsidiary Guarantor that is a party hereto on the Effective Date, as of the Effective Date and (B) with respect to any other Subsidiary Guarantor, as of the date such Subsidiary Guarantor becomes a Subsidiary Guarantor hereunder.

SECTION 3.09. GENERAL LIMITATION ON GUARANTEE OBLIGATIONS. In any action or proceeding involving any state corporate law, or any state or Federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under Section 3.01 would otherwise, taking into account the provisions of Section 3.08, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of

its liability under Section 3.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Subsidiary Guarantor, any Lender, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

#### ARTICLE IV

##### Representations and Warranties

The Borrower and each Subsidiary Guarantor represents and warrants to the Lenders and the Administrative Agent, as to itself and each of its Subsidiaries, that:

SECTION 4.01. ORGANIZATION; POWERS. The Borrower and each of its Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. The Borrower and each of its Subsidiaries has all requisite power and authority under its organizational documents to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 4.02. AUTHORIZATION; ENFORCEABILITY. The Transactions are within the corporate power of each Credit Party and have been duly authorized by all necessary corporate and, if required, stockholder action on the part of such Credit Party. This Agreement has been duly executed and delivered by each Obligor and constitutes a legal, valid and binding obligation of such Obligor, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 4.03. GOVERNMENTAL APPROVALS; NO CONFLICTS. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other Person, except for approvals in connection with the Chancellor Acquisition each of which will, prior to the Effective Date, have been duly obtained and all waiting periods in connection therewith will have lapsed, (b) will not violate any applicable law, policy or regulation or the charter, by-laws or other organizational documents of any Credit Party or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Credit Party, or any of its assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, and (d) except for the Liens created by the Security Documents, will not result in the creation or imposition of any Lien on any asset of the Credit Parties.

Without limiting the generality of the foregoing, if, after giving effect to any Borrowing, or any issuance, amendment, renewal or extension of any Letter of Credit, the sum of the aggregate amount of the Revolving Credit Exposure plus the aggregate outstanding amount

Credit Agreement

of Term Loans and Incremental Loans is greater than \$200,000,000, the Borrower will be in compliance with the provisions of Section 4.8 of the OCI Indenture.

SECTION 4.04. FINANCIAL CONDITION; NO MATERIAL ADVERSE CHANGE; YEAR 2000 ISSUES.

(a) Financial Statements. The Borrower has heretofore delivered to the Lenders the following financial statements:

(i) the audited consolidated balance sheet and statements of earnings (loss), stockholders' deficit and cash flows of the Borrower and its Subsidiaries (and, separately stated, of the Borrower and its Restricted Subsidiaries) as of and for the fiscal year ended December 31, 1998, reported on by KPMG Peat Marwick LLP, independent public accountants;

(ii) the unaudited consolidated balance sheet and statements of earnings (loss), stockholders' deficit and cash flows of the Borrower and its Subsidiaries (and, separately stated, of the Borrower and its Restricted Subsidiaries) as of and for the three-month period ended March 31, 1999, certified by a Financial Officer of the Borrower;

(iii) the audited consolidated balance sheets and statement of operations of Chancellor Media Outdoor Corporation for the period from July 22, 1998 through December 31, 1998 reported on by PricewaterhouseCoopers LLP, and the unaudited consolidated balance sheet and statement of operations of Chancellor Media Outdoor Corporation for the three-month period ended March 31, 1999;

(iv) the unaudited consolidated balance sheet of Chancellor Media Outdoor Corporation as of March 31, 1999, which has been adjusted to give effect to the Preliminary Transactions under and as defined in the Chancellor Acquisition Agreement, and the unaudited consolidated statement of operations of Chancellor Media Outdoor Corporation for the twelve month period ended March 31, 1999, which has been adjusted to give effect to such Preliminary Transactions as if such Preliminary Transactions had been consummated on April 1, 1998; and

(v) the pro forma statement of earnings (loss) of the Borrower and its Restricted Subsidiaries as of and for the fiscal year ended December 31, 1998 and for the three month period ended March 31, 1999, and the pro forma balance sheet of the Borrower and its Restricted Subsidiaries as of March 31, 1999, each of which financial statements have been prepared under the assumption that the Chancellor Acquisition had been consummated on January 1, 1998.

Such financial statements present fairly, in all material respects, (i) in the case of the financial statements referred to in clauses (i) through (iv) above, the respective consolidated actual financial condition of the respective entities as at said respective dates and the consolidated and unconsolidated results of their operations for the fiscal periods ended on said respective dates, all in accordance with generally accepted accounting principles and practices applied on a consistent basis, subject, in the case of unaudited financial statements, to the absence of footnotes and year-end

Credit Agreement

audit adjustments and (ii) in the case of the financial statements referred to in clause (v) above, the pro forma financial condition of the Borrower and its Restricted Subsidiaries as at March 31, 1999, and the consolidated and unconsolidated results of their operations for the respective fiscal periods ended on March 31, 1999, based on generally accepted accounting principles and practices applied on a consistent basis, subject, in the case of unaudited financial statements, to the absence of footnotes and year-end audit adjustments. None of said entities has on the date hereof any material contingent liabilities, liabilities for taxes, unusual forward or long-term commitments or unrealized or anticipated losses from any unfavorable commitments, except as referred to or reflected or provided for in said pro forma balance sheet as at March 31, 1999 referred to in clause (v) above. Since December 31, 1998, there has been no material adverse change in the business, assets, operations, prospects or condition, financial or otherwise, of the Borrower and its Restricted Subsidiaries taken as a whole from that set forth in said pro forma consolidated financial statements referred to in clause (v) above.

(b) Year 2000 Issues. Any reprogramming required to permit the proper functioning, in and following the year 2000, of (i) the computer systems of the Borrower and its Subsidiaries and (ii) equipment containing embedded microchips (including systems and equipment supplied by others or with which the systems of the Borrower and its Subsidiaries interface) and the testing of all such systems and equipment, as so reprogrammed, will be completed by November 30, 1999. The cost to the Borrower and its Subsidiaries of such reprogramming and testing and of the reasonably foreseeable consequences of year 2000 to the Borrower and its Subsidiaries (including reprogramming errors and the failure of others' systems or equipment) will not result in a Default or a Material Adverse Effect. Except for such of the reprogramming referred to in the preceding sentence as may be necessary, the computer and management information systems of the Borrower and its Subsidiaries are and, with ordinary course upgrading and maintenance, will continue for the term of this Agreement to be, sufficient to permit the Borrower and its Subsidiaries to conduct its business without a Material Adverse Effect.

#### SECTION 4.05. PROPERTIES.

(a) Properties Generally. Each of the Borrower and its Restricted Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Intellectual Property. Each of the Borrower and its Restricted Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower and its Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

## SECTION 4.06. LITIGATION AND ENVIRONMENTAL MATTERS.

(a) Litigation. There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any of the Credit Parties, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any of the Basic Documents or the Transactions.

(b) Environmental Matters. Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or any inquiry, allegation, notice or other communication from any Governmental Authority concerning its compliance with any Environmental Law or (iv) knows of any basis for any Environmental Liability.

(c) No Change in Disclosed Matters. Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 4.07. COMPLIANCE WITH LAWS AND AGREEMENTS. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations, policies and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.08. INVESTMENT AND HOLDING COMPANY STATUS. No Credit Party nor any of their respective subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended, or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935, as amended.

SECTION 4.09. TAXES. Each of the Credit Parties and their respective Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Credit Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 4.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse

Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$1,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$1,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 4.11. DISCLOSURE. The Credit Parties have disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which any Credit Party is subject, and all other matters known to any Credit Party, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of the Credit Parties to the Administrative Agent or any Lender in connection with the negotiation, preparation or delivery of this Agreement and the other Basic Documents (including, without limitation, the information set forth in the Confidential Information Memorandum and the information set forth in Schedule 4.11) or delivered pursuant hereto or thereto, when taken as a whole do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. All written information furnished after the date hereof by the Borrower and its Subsidiaries to the Administrative Agent and the Lenders in connection with this Agreement and the other Basic Documents and the transactions contemplated hereby and thereby will be true, complete and accurate in every material respect, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified. There is no fact known to the Borrower that could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Basic Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Lenders for use in connection with the transactions contemplated hereby or thereby.

SECTION 4.12. CAPITALIZATION. The authorized capital stock of the Borrower consists, on the date hereof, of an aggregate of 3,000 shares of common stock, with par value of \$0.01 per share, of which, as of the date hereof, 100 shares are duly and validly issued and outstanding, each of which shares is fully paid and nonassessable and all of which are held beneficially and of record by Holdings. As of the date hereof, (x) there are no outstanding Equity Rights with respect to the Borrower and (y) there are no outstanding obligations of the Borrower or any of its Subsidiaries to repurchase, redeem, or otherwise acquire any shares of capital stock of the Borrower nor are there any outstanding obligations of the Borrower or any of its Subsidiaries to make payments to any Person, such as "phantom stock" payments, where the amount thereof is calculated with reference to the fair market value or equity value of the Borrower or any of its Subsidiaries.

SECTION 4.13. MATERIAL AGREEMENTS AND LIENS.

(a) Indebtedness. Schedule 4.13 hereto is a complete and correct list, as of the date of this Agreement (and as of the date of the Chancellor Acquisition, giving effect thereto),

Credit Agreement

of each credit agreement, loan agreement, indenture, guarantee, letter of credit or other arrangement (other than this Agreement or the Existing Credit Agreement) providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, or guarantee by, the Borrower or any of its Subsidiaries the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$1,000,000, and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement is correctly described in Schedule 4.13.

(b) Liens. Schedule 4.13 hereto is a complete and correct list, as of the date of this Agreement (and as of the date of the Chancellor Acquisition, giving effect thereto), of each Lien securing Indebtedness of any Person the aggregate principal or face amount of which equals or exceeds (or may equal or exceed) \$1,000,000 and covering any property of the Borrower or any of its Subsidiaries, and the aggregate Indebtedness secured (or which may be secured) by each such Lien and the Property covered by each such Lien is correctly described in Schedule 4.13.

#### SECTION 4.14. SUBSIDIARIES, ETC.

(a) Subsidiaries. Set forth in Schedule 4.14 is a complete and correct list of all of the Subsidiaries of the Credit Parties as of the date hereof (and that will be acquired pursuant to the Chancellor Acquisition) together with, for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding ownership interests in such Subsidiary, (iii) the nature of the ownership interests held by each such Person and the percentage of ownership of such Subsidiary represented by such ownership interests and (iv) whether such Subsidiary is a Restricted Subsidiary or Unrestricted Subsidiary. Except as disclosed in Schedule 4.14, (i) each Credit Party and its respective Subsidiaries owns (and, in the case of any Subsidiary acquired pursuant to the Chancellor Acquisition, will own), free and clear of Liens (other than Liens created pursuant to the Security Documents), and has (and will have) the unencumbered right to vote, all outstanding ownership interests in each Person shown to be held by it in Schedule 4.14, (y) all of the issued and outstanding capital stock of each such Person organized as a corporation is validly issued, fully paid and nonassessable and (z) there are no outstanding Equity Rights with respect to such Person. Each Subsidiary identified on said Schedule 4.14 as an "Unrestricted Subsidiary" qualifies as an Unrestricted Subsidiary under the criteria therefor set forth in Section 1.05.

(b) No Restrictions. Except as set forth in Schedule 4.14, as of the date of this Agreement (and, in the case of any Subsidiary acquired in the Chancellor Acquisition, as of the date of the Chancellor Acquisition), none of the Restricted Subsidiaries of the Borrower is (or will be) subject to any indenture, agreement, instrument or other arrangement containing any provision of the type described in Section 7.08, other than any such provision the effect of which has been unconditionally, irrevocably and permanently waived and other than the prohibition on the sale, transfer, assignment, mortgage, pledge, encumbrance or other disposition by MIL of its interest in the Missouri Partnership.

SECTION 4.15. Chancellor Acquisition. The Borrower has heretofore delivered to the Administrative Agent a true and complete copy of the Chancellor Acquisition Agreement

Credit Agreement

(including all modifications and supplements thereto); the Chancellor Acquisition Agreement has been duly executed and delivered by each party thereto and is in full force and effect and none of the parties thereto is in default of any of its obligations thereunder. Each of the representations and warranties set forth in Section 2.21 of the Chancellor Acquisition Agreement as in effect on the date hereof will be true and complete on and as of the consummation of the Chancellor Acquisition.

SECTION 4.16. Senior Notes Indenture. The Borrower has heretofore delivered to the Administrative Agent a true and complete copy of the Holdings Indenture and the related prospectus (including all modifications and supplements thereto); the Holdings Indenture has been duly executed and delivered by each party thereto and is in full force and effect and none of the parties thereto is in default of any of its obligations thereunder.

#### ARTICLE V

##### Conditions

SECTION 5.01. EFFECTIVE DATE. The obligations of the Lenders to make Loans, and of the Issuing Lender to issue Letters of Credit, hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) Counterparts of Agreement. The Administrative Agent (or Special Counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) Opinion of Counsel to Credit Parties. The Administrative Agent (or Special Counsel) shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Kean, Miller, Hawthorne, D'Armond, McCowan & Jarman, L.L.P., counsel to the Credit Parties, substantially in the form of Exhibit B, and covering such matters relating to the Credit Parties, this Agreement, the other Loan Documents or the Transactions as the Required Lenders shall request (and each Credit Party hereby requests such counsel to deliver such opinion).

(c) Opinion of Special Counsel. The Administrative Agent shall have received a favorable written legal opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Special Counsel, substantially in the form of Exhibit C (and the Administrative Agent requests Special Counsel to deliver such opinion).

(d) Corporate Matters. The Administrative Agent (or Special Counsel) shall have received such documents and certificates as the Administrative Agent or Special Counsel may reasonably request relating to the organization, existence and good standing of each Credit Party, the authorization of the Transactions and any other legal matters relating to the Credit Parties, this Agreement, the other Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

Credit Agreement

(e) Financial Officer Certificate. The Administrative Agent (or Special Counsel) shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 5.03.

(f) Notes. The Administrative Agent (or Special Counsel) shall have received for each Lender that shall have requested a promissory note, a duly completed and executed promissory note for such Lender.

(g) Pledge Agreement. The Administrative Agent (or Special Counsel) shall have received (i) from each Obligor a counterpart of the Pledge Agreement signed on behalf of such Obligor and (ii) to the extent not previously delivered under the Existing Credit Agreement, the stock certificates identified under the name of such Obligor in Annex 1 thereto, accompanied by undated stock powers executed in blank. In addition, each Obligor shall have taken such other action (including, to the extent not previously effected under the Existing Credit Agreement, delivering to the Administrative Agent for filing, appropriately completed and duly executed copies of Uniform Commercial Code financing statements) as the Administrative Agent shall have requested in order to perfect the security interests created pursuant to the Pledge Agreement.

(h) Holdings Guaranty and Pledge Agreement. The Administrative Agent (or Special Counsel) shall have received (i) from Holdings a counterpart of the Holdings Guaranty and Pledge Agreement signed on behalf of Holdings and (ii) to the extent not previously delivered under the Existing Credit Agreement, the stock certificates for the Borrower identified in Annex 1 thereto, accompanied by undated stock powers executed in blank. In addition, Holdings shall have taken such other action (including, to the extent not previously effected under the Existing Credit Agreement, delivering to the Administrative Agent for filing, appropriately completed and duly executed copies of Uniform Commercial Code financing statements) as the Administrative Agent shall have requested in order to perfect the security interests created pursuant to the Holdings Guaranty and Pledge Agreement.

(i) Solvency Certificate. The Administrative Agent shall have received a certificate from a Financial Officer of the Borrower to the effect that, as of the Effective Date and after giving effect to Chancellor Acquisition, the initial Loans hereunder and to the other Transactions:

(i) the aggregate value of all properties of the Borrower and its Subsidiaries at their present fair saleable value (i.e., the amount that may be realized within a reasonable time, considered to be six months to one year, either through collection or sale at the regular market value, conceiving the latter as the amount that could be obtained for the property in question within such period by a capable and diligent businessman from an interested buyer who is willing to purchase under ordinary selling conditions), exceed the amount of all the debts and liabilities (including contingent, subordinated, unmaturing and unliquidated liabilities) of the Borrower and its Subsidiaries,

Credit Agreement

(ii) the Borrower and its Subsidiaries will not, on a consolidated basis, have an unreasonably small capital with which to conduct their business operations as heretofore conducted and

(iii) the Borrower and its Subsidiaries will have, on a consolidated basis, sufficient cash flow to enable them to pay their debts as they mature.

Such certificate shall include a statement to the effect that the financial projections and underlying assumptions contained in such analysis are, fair and reasonable and accurately computed.

(j) Insurance. The Administrative Agent shall have received a certificate of a Financial Officer setting forth the insurance obtained by the Borrower in accordance with the requirements of Section 6.05 and stating that such insurance is in full force and effect and that all premiums then due and payable thereon have been paid.

(k) Total Debt Ratio. The Administrative Agent shall have received a certificate of a Financial Officer, in form and detail satisfactory to the Administrative Agent, setting forth the Total Debt Ratio as at the Effective Date (which shall in any event be less than 6.00 to 1).

(l) Repayment of Indebtedness under Existing Credit Agreement. The Borrower shall have repaid in full the principal of and interest on all of the "Loans" outstanding under the Existing Credit Agreement and all commitments under the Existing Credit Agreement shall have been terminated.

(m) Consummation of Chancellor Acquisition. The Administrative Agent shall have received a certificate of a senior financial officer of the Borrower providing evidence that the Chancellor Acquisition shall have been (or shall be concurrently with the making of the initial Loans hereunder on the Effective Date) consummated in all material respects (i) in accordance with the terms of the Chancellor Acquisition Agreement as in effect on the date hereof (except for any material modifications, supplements or waivers thereof, or written consents or determinations made by the parties thereto, that shall be satisfactory to the Administrative Agent) and (ii) to the satisfaction of the Administrative Agent.

(n) Release and Payment of Certain Chancellor Obligations. The Administrative Agent shall have received evidence that any Indebtedness of Chancellor or any of its Subsidiaries not permitted under Section 7.01 shall have been paid in full (or arrangements for such payment satisfactory to the Administrative Agent shall have been made) and that, to the extent any of the assets of Chancellor or any of its Subsidiaries are subject to Liens not permitted under Section 7.02, such Liens shall have been released (or arrangements for such release satisfactory to the Administrative Agent shall have been made).

Credit Agreement

(o) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent or any Lender or Special Counsel shall have reasonably requested.

(p) Fees and Expenses. The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans, and of the Issuing Lender to issue Letters of Credit, hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 12:00 p.m., New York City time, on November 30, 1999 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 5.02. INCREMENTAL LOAN BORROWINGS. The obligation of each Incremental Loan Lender to make an Incremental Loan on the occasion of any Borrowing is subject to the receipt by the Administrative Agent of evidence satisfactory to it that after giving effect to such Borrowing and the other transactions that are to occur on the date of such Borrowing (under the assumption that such Borrowing and such other transactions had been consummated on the first day of the respective periods for which calculations are to be made under the covenants set forth in Section 7.09), the Borrower would have been in compliance with the applicable provisions of Section 7.09, and a Financial Officer shall have delivered a certificate to the foregoing effect to the Administrative Agent.

SECTION 5.03. EACH EXTENSION OF CREDIT. The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Lender to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) Representations and Warranties. The representations and warranties of each Credit Party set forth in this Agreement and the other Loan Documents shall be true and correct on and as of the date of such Borrowing, or (as applicable) the date of issuance, amendment, renewal or extension of such Letter of Credit, both before and after giving effect thereto and to the use of the proceeds thereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, such representation or warranty shall be true and correct as of such specific date).

(b) No Defaults. At the time of and immediately after giving effect to such Borrowing, or (as applicable) the date of issuance, amendment, renewal or extension of such Letter of Credit, no Default shall have occurred and be continuing.

(c) Consummation of Acquisition. To the extent that the proceeds of such Loans are being applied to finance in whole or in part any Acquisition that is not permitted under Section 7.04(e) (and that, therefore, is being consummated with the consent of the

Credit Agreement

Required Lenders), evidence that such Acquisition shall have been (or shall be simultaneously) consummated in all material respects in accordance with the terms of the respective acquisition agreement (it being understood that any modifications, supplements or waivers thereof, or written consents or determinations made by the parties thereto, that shall affect in any material respect the provisions of such acquisition shall have been consented to by the Required Lenders), and the Administrative Agent shall have received a certificate of a Financial Officer to such effect and to the effect that attached thereto are true and complete copies of the documents delivered in connection with the closing of such Acquisition. In addition, the Administrative Agent shall have received copies of the legal opinions delivered to the Borrower pursuant to such acquisition agreement in connection with such Acquisition.

Each Borrowing Request, or request for issuance, amendment, renewal or extension of a Letter of Credit, shall be deemed to constitute a representation and warranty by the Borrower (both as of the date of such Borrowing Request, or request for issuance, amendment, renewal or extension, and as of the date of the related Borrowing or issuance, amendment, renewal or extension) as to the matters specified in paragraphs (a) and (b) of this Section 5.03.

#### ARTICLE VI

##### Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Obligor covenants and agrees with the Lenders that:

SECTION 6.01. FINANCIAL STATEMENTS AND OTHER INFORMATION. The Borrower will furnish to the Administrative Agent and each Lender:

(a) as soon as available and in any event within 90 days after the end of each fiscal year of the Borrower:

(i) consolidated and consolidating statements of income, retained earnings and cash flows of the Borrower and its Subsidiaries (and, separately stated, of the Borrower and its Restricted Subsidiaries) for such fiscal year and the related consolidated and consolidating balance sheets of the Borrower and its Subsidiaries (and, separately stated, of the Borrower and its Restricted Subsidiaries) as at the end of such fiscal year, setting forth in each case in comparative form the corresponding consolidated and consolidating figures for the preceding fiscal year,

(ii) an opinion of independent certified public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) stating that said consolidated financial statements referred to in the preceding clause (i)

##### Credit Agreement

fairly present the consolidated financial condition and results of operations of the Borrower and its Subsidiaries (and of the Borrower and its Restricted Subsidiaries, as the case may be) as at the end of, and for, such fiscal year in accordance with generally accepted accounting principles, and a statement of such accountants to the effect that, in making the examination necessary for their opinion, nothing came to their attention that caused them to believe that the Borrower was not in compliance with Section 7.09, insofar as such Section relates to accounting matters, and

(iii) a certificate of a Financial Officer stating that said consolidating financial statements referred to in the preceding clause (i) fairly present the respective individual unconsolidated financial condition and results of operations of the Borrower and of each of its Subsidiaries, in each case in accordance with generally accepted accounting principles, consistently applied, as at the end of, and for, such fiscal year;

(b) as soon as available and in any event within 60 days after the end of each of the first three quarterly fiscal periods of each fiscal year of the Borrower:

(i) consolidated and consolidating statements of income, retained earnings and cash flows of the Borrower and its Subsidiaries (and, separately stated, of the Borrower and its Restricted Subsidiaries) for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated and consolidating balance sheets of the Borrower and its Subsidiaries (and, separately stated, of the Borrower and its Restricted Subsidiaries) as at the end of such period, setting forth in each case in comparative form the corresponding consolidated and consolidating figures for the corresponding period in the preceding fiscal year (except that, in the case of balance sheets, such comparison shall be to the last day of the prior fiscal year),

(ii) a certificate of a Financial Officer, which certificate shall state that said consolidated financial statements referred to in the preceding clause (i) fairly present the consolidated financial condition and results of operations of the Borrower and its Subsidiaries (and of the Borrower and its Restricted Subsidiaries, as the case may be) and that said consolidating financial statements referred to in the preceding clause (i) fairly present the respective individual unconsolidated financial condition and results of operations of the Borrower and of each of its Subsidiaries, in each case in accordance with generally accepted accounting principles, consistently applied, as at the end of, and for, such period (subject to normal year-end audit adjustments);

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 7.06 and 7.09 and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of

the audited financial statements referred to in Section 4.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) promptly after the same become publicly available, copies of all registration statements, regular periodic reports and press releases filed by the Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange;

(f) promptly upon the mailing thereof to the shareholders of the Borrower generally or to the holders of the Senior Subordinated Notes or the New Senior Subordinated Notes (or any Refunding Indebtedness) or Senior Secured Notes generally, copies of all financial statements, reports and proxy statements so mailed; and

(g) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

In addition, the Borrower will arrange a meeting with the Lenders at a site reasonably convenient to the parties and acceptable to the Administrative Agent, at least once during each fiscal year (but in any event with a period of no more than fifteen months between meetings), at which the Borrower will report upon its financial condition, business and operations and have senior officers available to answer questions of the Lenders regarding such financial condition, business and operations.

SECTION 6.02. NOTICES OF MATERIAL EVENTS. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding \$5,000,000; and

Credit Agreement

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 6.02 shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 6.03. EXISTENCE; CONDUCT OF BUSINESS. The Borrower will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.04.

SECTION 6.04. PAYMENT OF OBLIGATIONS. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.05. MAINTENANCE OF PROPERTIES; INSURANCE. The Borrower will, and will cause each of its Restricted Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 6.06. BOOKS AND RECORDS; INSPECTION RIGHTS. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested. The Borrower, in consultation with the Administrative Agent, will arrange for a meeting to be held at least once every year with the Lenders hereunder at which the business and operations of the Borrower and its Restricted Subsidiaries are discussed.

SECTION 6.07. FISCAL YEAR. To enable the ready and consistent determination of compliance with the covenants set forth in Section 7 hereof, the Borrower and its Subsidiaries will not change the last day of their fiscal year from December 31 of each year, or the last day of the first three fiscal quarters in each of its fiscal years from March 31, June 30 and September 30, respectively.

Credit Agreement

SECTION 6.08. COMPLIANCE WITH LAWS. The Borrower will, and will cause each of its Restricted Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority (including Environmental Laws) applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 6.09. USE OF PROCEEDS. The proceeds of the Term Loans will be used only (i) to enable the Borrower to consummate the Chancellor Acquisition, (ii) to refinance Indebtedness outstanding under the Existing Credit Agreement, and (iii) for fees and expenses related to the transactions referred to in the foregoing clauses (i) and (ii). The proceeds of the Revolving Loans will be used only (i) to enable the Borrower to consummate Acquisitions (including the Chancellor Acquisition), (ii) for capital expenditures, (iii) to repurchase OCI Subordinated Notes as contemplated by Section 7.11(ii) and (iv) for the general corporate purposes of the Borrower and its Restricted Subsidiaries in the ordinary course of business. The proceeds of the Incremental Loans will be used only for (i) Acquisitions and (ii) the general corporate purposes of the Borrower and its Restricted Subsidiaries in the ordinary course of business. No part of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

SECTION 6.10. CERTAIN OBLIGATIONS RESPECTING RESTRICTED SUBSIDIARIES AND COLLATERAL SECURITY.

(a) Subsidiary Guarantors. In the event that the Borrower shall form or acquire any new Subsidiary (other than an Unrestricted Subsidiary or an Inactive Subsidiary) after the date hereof, the Borrower will, and will cause each of its Restricted Subsidiaries to, cause such new Subsidiary within five Business Days of such formation or acquisition:

(i) to execute and deliver to the Administrative Agent a Joinder Agreement (and thereby to become a party to this Agreement, as a "Subsidiary Guarantor" hereunder, and to the Pledge Agreement, as a "Securing Party" thereunder) and to pledge and grant to the Administrative Agent for the benefit of the Lenders hereunder a security interest in any property owned by it that is of the type included in the definition of "Collateral" under the Pledge Agreement;

(ii) to take such action (including delivering such shares of stock and executing and delivering such Uniform Commercial Code financing statements) as shall be necessary to create and perfect valid and enforceable first priority Liens consistent with the provisions of the Pledge Agreement on such Collateral under the Pledge Agreement; and

(iii) to deliver such proof of corporate action, incumbency of officers and other documents as is consistent with those delivered by each Subsidiary Guarantor pursuant to Section 5.01 upon the Effective Date or as the Administrative Agent shall have reasonably requested.

Without limiting the generality of the foregoing, the Borrower shall cause any Subsidiary that becomes a guarantor in respect of any Senior Subordinated Notes or New Senior

Credit Agreement

Subordinated Notes (or in respect of any Refunding Indebtedness), to immediately become a Subsidiary Guarantor hereunder in compliance with the provisions of the preceding paragraph, whether or not such Subsidiary is otherwise required to be a Subsidiary Guarantor hereunder.

(b) Ownership of Restricted Subsidiaries. The Borrower will, and will cause each of its Restricted Subsidiaries to, take such action from time to time as shall be necessary to ensure that the percentage of the equity capital of any class or character owned by it in any Restricted Subsidiary on the date hereof (or, in the case of any newly formed or newly acquired Subsidiary, on the date of formation or acquisition) is not at any time decreased, other than by reason of transfers to the Borrower or another Restricted Subsidiary. In the event that any additional shares of stock shall be issued by any Restricted Subsidiary, the respective holder of such shares of stock shall forthwith deliver to the Administrative Agent pursuant to the Pledge Agreement the certificates evidencing such shares of stock, accompanied by undated stock powers executed in blank and to take such other action as the Administrative Agent shall request to perfect the security interest created therein pursuant to the Pledge Agreement.

#### ARTICLE VII

##### Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each Obligor covenants and agrees with the Lenders that:

SECTION 7.01. INDEBTEDNESS. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder;

(b) Indebtedness in respect of notes issued by the Borrower after the date hereof so long as (i) no Default exists at the time of such issuance or would result therefrom, (ii) such Indebtedness (and any Guarantees of Subsidiaries in respect of such Indebtedness) is subordinated upon terms no less favorable (from the standpoint of the holders of "Senior Indebtedness" under and as defined in the Senior Subordinated Notes Indentures) than the terms of subordination set forth in the Senior Subordinated Notes Indentures, (iii) the scheduled amortization of such notes (whether by sinking fund payments, mandatory redemptions or repurchases or otherwise) shall not be earlier than the later of six months after the maturity date for the Incremental Loans and the maturity date of the then latest-maturing Senior Subordinated Notes or any other New Senior Subordinated Notes, (iv) the covenants, events of default and mandatory prepayment requirements (whether by sinking fund payments, mandatory redemptions or repurchases or otherwise) of the Refunding Indebtedness are not more restrictive than the corresponding provisions of the Senior Subordinated Notes Indentures, (v) after giving effect to the issuance of such notes the Borrower shall be in compliance with Section 7.09 (the determination of such compliance to be calculated on a pro forma basis as if such notes had been issued as of the first day of the period of four fiscal quarters most recently

##### Credit Agreement

ended prior to the date of such issuance) and (vi) the Borrower furnishes to the Administrative Agent on the date of such issuance a certificate of a Financial Officer demonstrating in reasonable detail compliance with the foregoing conditions;

(c) Indebtedness existing on the date hereof and set forth in Schedule 7.01 and (x) in the case of any such Indebtedness (other than the Senior Subordinated Notes and the OCI Subordinated Notes), any extension, renewal, refunding or replacement of such Indebtedness that does not increase the principal amount of such Indebtedness outstanding on the date hereof and (y) in the case of the Senior Subordinated Notes or the OCI Subordinated Notes, (A) any extension or renewal thereof so long as such Senior Subordinated Notes or OCI Subordinated Notes (the "Refunding Indebtedness"), as so extended or renewed, would have been permitted to be issued on the date of such extension or renewal under paragraph (b) above and (B) any refunding or replacement thereof from the proceeds of New Senior Subordinated Notes issued in accordance with paragraph (b) above that does not increase the principal amount of such Indebtedness outstanding on the date of such refunding or replacement, provided that this clause (c) shall not, after the Closing Date, permit any such Indebtedness identified on said schedule that is to be paid on the Closing Date;

(d) Indebtedness of the Borrower to any Restricted Subsidiary and of any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary;

(e) Guarantees permitted under Section 7.03;

(f) Indebtedness of the Borrower under Equity Hedging Arrangements, so long as the aggregate maximum contingent or potential liability thereunder shall not on any date exceed \$12,000,000 minus the aggregate amount in fact paid by the Borrower under all Equity Hedging Arrangements during the period commencing on the date hereof and ending on such date; and

(g) additional Indebtedness of the Borrower or any Restricted Subsidiary (determined on a consolidated basis without duplication in accordance with GAAP) in an aggregate principal amount up to but not exceeding \$65,000,000 at any one time outstanding.

SECTION 7.02. LIENS. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any Property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created under the Security Documents;

(b) any Lien on any property or asset of the Borrower or any Restricted Subsidiary existing on the date hereof and set forth in Schedule 7.02, provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it

secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(c) Liens imposed by any Governmental Authority for taxes, assessments or charges not yet due or (in the case of property taxes and assessments not exceeding \$500,000 in the aggregate more than 90 days overdue) or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrower or the affected Restricted Subsidiaries, as the case may be, in accordance with GAAP;

(d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens, and vendors' Liens imposed by statute or common law not securing the repayment of Indebtedness, arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith and by appropriate proceedings and Liens securing judgments (including, without limitation, pre-judgment attachments) but only to the extent for an amount and for a period not resulting in an Event of Default under Section 8(j) hereof;

(e) pledges or deposits under worker's compensation, unemployment insurance and other social security legislation;

(f) deposits to secure the performance of bids, tenders, trade contracts (other than for borrowed money), leases (other than capital leases), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of Property or minor imperfections in title thereto which, in the aggregate, are not material in amount, and which do not, in the aggregate, materially detract from the value of the Property of the Borrower and its Restricted Subsidiaries or interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries;

(h) additional Liens upon real and/or personal Property created after the date hereof provided that the aggregate amount of obligations secured thereby shall not exceed \$20,000,000;

(i) Liens consisting of bankers' liens and rights of setoff, in each case, arising by operation of law, and Liens on documents presented in letters of credit drawings; and

(j) Liens on fixed or capital assets acquired, constructed or improved by the Borrower or any Restricted Subsidiary, provided that (i) such Liens secure Indebtedness permitted by Section 7.01(g), (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such

security interests shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary.

SECTION 7.03. CONTINGENT LIABILITIES; SURETY BONDS.

(a) Contingent Liabilities. The Borrower will not, and will not permit any Restricted Subsidiary to, Guarantee the Indebtedness or other obligations of any Person, or Guarantee the payment of dividends or other distributions upon the stock of, or the earnings of, any Person, except:

(i) endorsements of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(ii) Guarantees by the Borrower of Indebtedness of any Subsidiary and by any Restricted Subsidiary of Indebtedness of the Borrower or any other Subsidiary, provided that the aggregate amount of such Guarantees by the Borrower and its Restricted Subsidiaries of obligations of Unrestricted Subsidiaries, together with any Investments permitted under Section 7.05(a)(i), shall not exceed \$100,000,000;

(iii) Guarantees in effect on the date hereof which are disclosed in Schedule 7.03, any replacements thereof in amounts not exceeding such Guarantees and any additions thereto, provided the additions thereto do not exceed \$10,000,000 outstanding in the aggregate;

(iv) Surety Bonds, subject, however, to the limits set forth in Section 7.03(b);

(v) all transactions with or for the benefit of Affiliates that are expressly permitted under the proviso in Section 7.07; and

(vi) obligations in respect of Letters of Credit.

(b) Surety Bonds. The Borrower shall not, and shall not permit any Restricted Subsidiary to, create, incur or suffer to exist any obligations (contingent or otherwise) with respect to any Surety Bonds on behalf of Affiliates in an aggregate face amount (as to the Borrower and the Restricted Subsidiaries taken together) exceeding \$25,000,000 at any time outstanding.

SECTION 7.04. FUNDAMENTAL CHANGES. The Borrower will not, nor will it permit any of its Restricted Subsidiaries to, enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution). The Borrower will not, nor will it permit any of its Restricted Subsidiaries to, acquire any business or property from, or capital stock of, or be a party to any acquisition of, any Person except for purchases of inventory and other property to be sold or used in the ordinary course of business, Investments permitted under Section 7.05 and Capital Expenditures. The Borrower will not, nor will it permit any of its Restricted Subsidiaries to, convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, any part of its business or property, whether now owned or hereafter acquired (including, without limitation,

receivables and leasehold interests, but excluding (x) obsolete or worn-out property, tools or equipment no longer used or useful in its business and (y) any inventory or other property sold or disposed of in the ordinary course of business and on ordinary business terms).

Notwithstanding the foregoing provisions of this Section 7.04:

(a) any Restricted Subsidiary may be merged or consolidated with or into any other Restricted Subsidiary; provided that if any such transaction shall be between a Restricted Subsidiary and a Wholly Owned Restricted Subsidiary of the Borrower, the Wholly Owned Restricted Subsidiary shall be the continuing or surviving corporation;

(b) any Restricted Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its property (upon voluntary liquidation or otherwise) to any Wholly Owned Restricted Subsidiary of the Borrower;

(c) the capital stock of any Restricted Subsidiary may be sold, transferred or otherwise disposed of to the Borrower or any Wholly Owned Restricted Subsidiary of the Borrower;

(d) the Borrower or any of its Restricted Subsidiaries may sell assets (including, without limitation, capital stock issued by any of their respective Subsidiaries) for fair market value provided that (i) the aggregate amount of Disposition Investments and other non-cash proceeds (valued at the fair market value thereof determined in good faith by the Board of Directors of the Borrower) received by the seller in the sale of any asset shall not exceed 15% of the total sales price for such asset (including (A) the amount of liabilities, if any, assumed as a portion of the sales price and (B) the amount of any repayment by the seller of the principal of Indebtedness to the extent that (X) such Indebtedness is secured by a Lien on such asset and (Y) the seller is required by the transferee of (or holder of a Lien on) such assets to repay such principal as a condition to the purchase of such asset) and (ii) no more than 10% of EBITDA for any fiscal year of the Borrower shall be attributable to all such assets so sold in the following fiscal year of the Borrower;

(e) the Borrower or any Wholly Owned Restricted Subsidiary of the Borrower may acquire any business, and the related assets, of any other Person including of an Unrestricted Subsidiary (whether by way of purchase of assets or stock, by merger or consolidation or otherwise), so long as:

(i) such Acquisition (if by purchase of assets, merger or consolidation) shall be effected in such manner so that the acquired business, and the related assets, are owned either by the Borrower or a Wholly Owned Restricted Subsidiary of the Borrower and, if effected by merger or consolidation involving the Borrower, the Borrower shall be the continuing or surviving entity and, if effected by merger or consolidation involving a Wholly Owned Restricted Subsidiary of the Borrower, such Wholly Owned Restricted Subsidiary shall be the continuing or surviving entity;

Credit Agreement

(ii) such Acquisition (if by purchase of stock) shall be effected in such manner so that the acquired entity becomes a Wholly Owned Restricted Subsidiary of the Borrower;

(iii) after giving effect to such Acquisition the Borrower shall be in compliance with Section 7.09 (the determination of such compliance to be calculated on a pro forma basis, as at the end of and for the period of four fiscal quarters most recently ended prior to the date of such Acquisition for which financial statements of the Borrower and its Restricted Subsidiaries are available, under the assumption that such Acquisition shall have occurred, and any Indebtedness in connection therewith shall have been incurred, at the beginning of the applicable period, and under the assumption that interest for such period had been equal to the actual weighted average interest rate in effect for the Loans hereunder on the date of such Acquisition) and, in the event that the aggregate amount of expenditures in respect of such Acquisition shall exceed \$10,000,000, the Borrower shall have delivered to the Administrative Agent a certificate of a Financial Officer showing calculations in reasonable detail to demonstrate compliance with this subclause (iii); and

(iv) immediately prior to such Acquisition and after giving effect thereto, no Default shall have occurred and be continuing; and

(f) the Borrower and its Restricted Subsidiaries may dispose of any one or more outdoor properties in exchange for one or more other outdoor properties (including logo signage businesses), so long as the percentage of the aggregate EBITDA attributable to the properties so disposed of during any single fiscal year does not exceed 10% of the aggregate EBITDA of the Borrower and its Restricted Subsidiaries for the most recently-ended fiscal year (such EBITDA to be determined for these purposes without giving effect to the last paragraph of the definition of such term in Section 1.01).

SECTION 7.05. INVESTMENTS, LOANS, ADVANCES, GUARANTEES AND ACQUISITIONS; HEDGING AGREEMENTS.

(a) Investments, Etc. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make or permit to remain outstanding any Investment, except:

(i) Investments by the Borrower and its Restricted Subsidiaries in Subsidiaries and by any Restricted Subsidiary in the Borrower (including Guarantees by the Borrower of Indebtedness of any Subsidiary and by any Restricted Subsidiary of Indebtedness of the Borrower or any other Subsidiary), provided that the aggregate amount of any such Investments (including Guarantees) by the Borrower and its Restricted Subsidiaries in Unrestricted Subsidiaries after the date hereof (net of returns on such Investments after the date hereof) shall not exceed \$100,000,000 and no such Investment may be made at any time that a Default exists or if a Default would result therefrom;

(ii) Permitted Investments;

Credit Agreement

(iii) operating deposit accounts with banks;

(iv) Disposition Investments received in connection with any Disposition permitted under Section 7.04(d) or any Disposition to which the Lenders shall have consented in accordance with Section 10.02;

(v) Investments in Affiliates not exceeding \$15,000,000 at any one time outstanding;

(vi) Investments in Affiliates described in, and permitted by, Section 7.07 (other than clause (iii) of the proviso to Section 7.07); and

(vii) additional Investments in Persons that are not Affiliates up to but not exceeding \$150,000,000 in the aggregate at any one time outstanding, provided that no such Investment may be made at any time that a Default exists or if a Default would result therefrom.

(b) Hedging Agreements. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any Hedging Agreement, other than Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any Restricted Subsidiary is exposed in the conduct of its business or the management of its liabilities.

SECTION 7.06. DIVIDEND PAYMENTS. The Borrower will not, nor will it permit any of its Restricted Subsidiaries to, declare or make any Dividend Payment at any time; provided, however, that the Borrower may declare and make Dividend Payments in cash (including, without limitation, Dividend Payments to Affiliates), subject to the satisfaction of each of the following conditions on the date of such Dividend Payment and after giving effect thereto:

(i) no Default shall have occurred and be continuing (except that to the extent the Dividend Payments made during any single fiscal year do not exceed \$500,000, such Dividend Payments may be made notwithstanding that a Default under Section 8(c) or 8(d) exists, so long as no other Default shall have occurred and be continuing); and

(ii) the aggregate amount of Dividend Payments made during any fiscal year shall not exceed the greater of (A) \$500,000 and (B) the lesser of (x) 50% of Excess Cash Flow for the immediately preceding fiscal year and (y) \$20,000,000.

Notwithstanding the foregoing, (w) the Borrower may make Dividend Payments consisting of the retirement of employee stock options and other Equity Rights upon the death, retirement or termination of employment of officers and employees in an aggregate amount in any fiscal year not exceeding \$1,000,000, so long as at the time thereof and after giving effect thereto, no Default shall have occurred and be continuing, (x) the Borrower may enter into Equity Hedging Arrangements, so long as the aggregate maximum contingent or potential liability thereunder shall not on any date exceed \$12,000,000 minus the aggregate amount in fact paid by the Borrower under all Equity Hedging Arrangements during the period commencing on

Credit Agreement

the date hereof and ending on such date, (y) the Borrower may make Dividend Payments in amounts necessary to enable Holdings to pay accrued interest on the Senior Notes, so long as (A) at the time of such Dividend Payment and after giving effect thereto no Event of Default shall have occurred and be continuing and (B) after giving effect to such Dividend Payment, the Borrower would be in pro forma compliance with the provisions of Section 7.09 (as if such Dividend Payment had been made on the first date of the relevant period for which each of the ratios therein referred to is being determined) and (z) the Borrower may make Dividend Payments in an aggregate amount up to \$12,500,000 during any single fiscal year to enable Holdings to make payments in respect of Qualified Holdings Obligations.

Nothing herein shall be deemed to prohibit the payment of any dividend or distribution by any Subsidiary of the Borrower so long as such dividends or distributions are declared and paid ratably to the shareholders, partners and other equity holders of such Subsidiary.

SECTION 7.07. TRANSACTIONS WITH AFFILIATES. Except as expressly permitted by this Agreement, the Borrower will not, nor will it permit any of its Restricted Subsidiaries to, directly or indirectly (a) make any Investment in an Affiliate; (b) transfer, sell, lease, assign or otherwise dispose of any property to an Affiliate unless such transaction is effected in the ordinary course of business and the fair market value of such property transferred, sold, leased, assigned or otherwise disposed of in any transaction or series of related transactions is less than or equal to \$250,000; (c) merge into or consolidate with an Affiliate, or purchase or acquire property from an Affiliate unless such purchase or acquisition is effected in the ordinary course of business, the fair market value of such property purchased or acquired in any transaction or series of related transactions is less than or equal to \$250,000 and the consideration paid in connection therewith does not exceed fair market value; or (d) enter into any other transaction directly or indirectly with or for the benefit of an Affiliate (including, without limitation, guarantees and assumptions of obligations of an Affiliate) unless such transaction is effected in the ordinary course of business, the goods, services, obligations or other consideration that is the subject of such transaction has a fair market value (or other appropriate value determined by reference to similar transactions conducted on an arms' length basis) less than or equal to \$250,000 and the consideration received (or paid) by the Borrower or the relevant Restricted Subsidiary, as the case may be, is not less than (if received) or more than (if paid) the consideration that would be received or paid, as the case may be, in a comparable transaction effected on an arms' length basis with a Person that is not an Affiliate; provided that:

(i) any Affiliate who is an individual may serve as a director, officer, employee or consultant of the Borrower or any of its Restricted Subsidiaries and receive reasonable compensation for his or her services in such capacity;

(ii) the Borrower and its Restricted Subsidiaries may engage in and continue the transactions with or for the benefit of Affiliates which are described in Schedule 7.07;

(iii) the Borrower and its Restricted Subsidiaries may make Acquisitions of Affiliates so long as (x) the consideration paid in connection therewith does not exceed fair market value, as determined by the disinterested members of the board of directors of the Borrower, (y) in the case of Acquisitions involving consideration valued in excess of

\$1,000,000, the Borrower or Restricted Subsidiary, as the case may be, shall have delivered a certificate of an independent appraiser to such effect and (z) the aggregate amount of consideration for all such Acquisitions after the date hereof does not exceed \$10,000,000;

(iv) the Borrower and its Restricted Subsidiaries may enter into and be obligated with respect to site leases (and renewals and extensions thereof) entered into in the ordinary course of business, so long as the Affiliates benefiting from such site leases pay (or reimburse the Borrower or the Restricted Subsidiaries for) their fair share of the expenses thereunder and such site leases are otherwise no less favorable to the Borrower and its Restricted Subsidiaries than a comparable transaction effected on an arms' length basis with a Person that is not an Affiliate; and

(v) the Borrower and its Restricted Subsidiaries may enter into and continue agreements to provide management services to Affiliates, warehouse leases and contracts for the sale of outdoor advertising services, in the form customarily entered into, and Surety Bond and insurance programs, in each case referred to in this clause (v) in the ordinary course of business and in which Affiliates are co-obligors and co-beneficiaries, provided that all such Affiliates agree to reimburse the Borrower and each Restricted Subsidiary for their fair share of rent, premiums, deposits and other payments required to be made under any such agreement or program.

SECTION 7.08. RESTRICTIVE AGREEMENTS. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Restricted Subsidiary or to Guarantee Indebtedness of the Borrower or any other Restricted Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement, (ii) the foregoing shall not apply to restrictions and conditions imposed by the Senior Subordinated Notes Indentures, any New Senior Subordinated Notes Indenture, the OCI Indenture or any indenture pursuant to which the refunding or replacement of Indebtedness in respect of the Senior Subordinated Notes or OCI Subordinated Notes occurs in accordance with the terms of this Agreement, (iii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 7.08 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iv) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary pending such sale, provided such restrictions and conditions apply only to the Restricted Subsidiary that is to be sold and such sale is permitted hereunder, (v) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (vi) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

Credit Agreement

## SECTION 7.09. CERTAIN FINANCIAL COVENANTS.

(a) Total Debt Ratio. The Borrower will not permit the Total Debt Ratio at any time during any period below to exceed the ratio set opposite such period below:

Period -----	Ratio -----
From the Effective Date through December 30, 2000	6.25 to 1
From December 31, 2000 through December 30, 2001	6.00 to 1
From December 31, 2001 through December 30, 2002	5.75 to 1
From December 31, 2002 and at all times thereafter	5.50 to 1

(b) Senior Debt Ratio. The Borrower will not permit the Senior Debt Ratio at any time during the period below to exceed the ratio set opposite such period below:

Period -----	Ratio -----
From the Effective Date through December 30, 2000	4.50 to 1
From December 31, 2000 through December 30, 2001	4.00 to 1
From December 31, 2001 through December 30, 2002	3.50 to 1
From December 31, 2002 and at all times thereafter	3.00 to 1

Credit Agreement

(c) Interest Coverage Ratio. The Borrower will not permit the Interest Coverage Ratio at any time during the period below to be less than the ratio set opposite such period below:

Period -----	Ratio -----
From the Effective Date through December 30, 2000	1.80 to 1
From December 31, 2000 through December 30, 2001	2.00 to 1
From December 31, 2001 and at all times thereafter	2.20 to 1

(d) Fixed Charges Ratio. The Borrower will not permit the Fixed Charges Ratio as at the last day of any fiscal quarter to be less than 1.05 to 1.

SECTION 7.10. LINES OF BUSINESS. Neither the Borrower nor any of its Subsidiaries shall engage to any substantial extent in any line or lines of business activity which would cause earnings from outdoor advertising, out-of-home media, logo signage and other activities reasonably ancillary thereto to constitute less than 80% of EBITDA for any period.

SECTION 7.11. SUBORDINATED INDEBTEDNESS. Except as permitted by Section 7.01(c), the Borrower will not, nor will it permit any of its Restricted Subsidiaries to, purchase, redeem, retire or otherwise acquire for value, or set apart any money for a sinking, defeasance or other analogous fund for the purchase, redemption, retirement or other acquisition of, or make any voluntary payment or prepayment of the principal of or interest on, or any other amount owing in respect of, any Subordinated Indebtedness, except for (i) regularly scheduled payments or prepayments of principal and interest in respect thereof required pursuant to the instruments evidencing such Subordinated Indebtedness and (ii) any repurchase of OCI Subordinated Notes pursuant to the "Change of Control" offer required to be made under the OCI Indenture as a result of the Borrower becoming a Subsidiary of Holdings.

SECTION 7.12. MODIFICATIONS OF CERTAIN DOCUMENTS. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, consent to any modification, supplement or waiver of any of the documents or agreements evidencing or governing any Senior Subordinated Notes or OCI Subordinated Notes or (after the issuance thereof in accordance with the requirements of Section 7.01(b)) any New Senior Subordinated Notes without the prior consent of the Required Lenders, provided that, subject to the last paragraph of Section 6.10(a), the Borrower may supplement the Senior Subordinated Notes Indentures, the OCI Indenture or the New Senior Subordinated Notes Indentures in order to add or delete Subsidiaries as guarantors thereunder as required or permitted by the terms thereof without the prior consent of the Required Lenders. Without limiting the generality of the foregoing, except for Guarantees by Restricted Subsidiaries of the Borrower required by the Senior Subordinated Notes Indentures, the OCI Indenture or the New Senior Subordinated Notes Indentures, as the case may be, the Borrower

Credit Agreement

will not permit any Restricted Subsidiary to Guarantee any other Subordinated Indebtedness without the prior consent of the Required Lenders.

In addition, the Borrower will not consent to any modification, supplement or waiver of Article 9 of the Chancellor Acquisition Agreement, or any other provision of the Chancellor Acquisition Agreement that would materially adversely affect the Lenders, without the prior consent of the Required Lenders.

#### ARTICLE VIII

##### Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of, or interest on, any Loan or any reimbursement obligation in respect of any LC Disbursement, or any fee or other amount payable under this Agreement, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any representation or warranty made or deemed made by or on behalf of any Credit Party in or in connection with this Agreement, any of the other Basic Documents or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, any of the other Basic Documents or any amendment or modification hereof or thereof shall prove to have been incorrect when made or deemed made in any material respect;

(c) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 6.02, 6.03 (with respect to the Borrower's existence), 6.09 or 6.10 or in Article VII (other than Section 7.07 or 7.10); or Holdings shall fail to observe or perform any covenant set forth in Article V of the Holdings Guaranty and Pledge Agreement;

(d) the Borrower or any of its Subsidiaries shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (c) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent (given at the request of any Lender) to the Borrower;

(e) Holdings, the Borrower or any of its Restricted Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(f) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material

##### Credit Agreement

Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (f) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its Restricted Subsidiaries or the debts of any of them, or of a substantial part of the assets of any of them, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Restricted Subsidiaries or for a substantial part of the assets of any of them, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Borrower or any of its Restricted Subsidiaries shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any of its Restricted Subsidiaries or for a substantial part of the assets of any of them, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i) the Borrower or any of its Restricted Subsidiaries shall become unable, admit its inability in writing or fail generally to pay its debts as they become due;

(j) a final judgment or judgments for the payment of money in excess of \$4,000,000 in the aggregate for the Borrower and its Restricted Subsidiaries (exclusive of judgment amounts fully covered by insurance where the insurer has admitted liability in respect of such judgment) or in excess of \$25,000,000 in the aggregate for the Borrower and its Restricted Subsidiaries (regardless of insurance coverage) shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against the Borrower or any of its Restricted Subsidiaries and the same shall not be discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 60 days from the date of entry thereof and the Borrower or the relevant Restricted Subsidiary shall not, within said period of 60 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(k) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(l) A reasonable basis shall exist for the assertion against the Borrower or any of its Subsidiaries of (or there shall have been asserted against the Borrower or any of its Subsidiaries) claims or liabilities, whether accrued, absolute or contingent, based on or arising from the generation, storage, transport, handling or disposal of Hazardous Materials by the Borrower or any of its Subsidiaries or Affiliates, or any predecessor in interest of the Borrower or any of its Subsidiaries or Affiliates, or relating to any site or facility owned, operated or leased by the Borrower or any of its Subsidiaries or Affiliates, which claims or liabilities (insofar as they are payable by the Borrower or any of its Subsidiaries but after deducting any portion thereof which is reasonably expected to be paid by other creditworthy Persons jointly and severally liable therefor), in the judgment of the Required Lenders are reasonably likely to be determined adversely to the Borrower or any of its Subsidiaries, and the amount thereof is, singly or in the aggregate, reasonably likely to have a Material Adverse Effect;

(m) any of the following events shall occur and be continuing:

(i) the Borrower shall cease to be a Wholly Owned Subsidiary of Holdings;

(ii) the capital stock of Holdings owned directly or indirectly by Charles W. Lamar, III or Kevin P. Reilly, Sr., either of their wives, children, grandchildren, trusts of which either of them, their wives, children and grandchildren are the sole beneficiaries and for which one or more of such individuals are the sole trustee(s) and any Qualified Reilly Partnership shall (on a fully diluted basis after giving effect to the exercise of any outstanding rights or options to acquire capital stock of the Borrower) cease to constitute at least such percentage of the aggregate voting stock of Holdings as is sufficient at all times to elect a majority of the Board of Directors of Holdings;

(iii) any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), other than Charles W. Lamar, III or Kevin P. Reilly, Sr. and any of the other permitted holders referred to in clause (ii) above, shall acquire or own, directly or indirectly, beneficially or of record, shares representing more than 20% of the ordinary voting power represented by the issued and outstanding voting capital stock of Holdings, or (y) acquire direct or indirect Control of Holdings; or

(iv) a majority of the seats (other than vacant seats) on the board of directors of Holdings shall be occupied by Persons who were neither (x) nominated by the board of directors of Holdings nor (y) appointed by directors so nominated;

Credit Agreement

(n) Any of the following shall occur: (i) the Liens created by the Pledge Agreement or the Holdings Guaranty and Pledge Agreement shall at any time (other than by reason of the Administrative Agent relinquishing possession of certificates evidencing shares of stock of Subsidiaries pledged thereunder) cease to constitute valid and perfected Liens on the Collateral (as defined therein) intended to be covered thereby; (ii) except for expiration in accordance with its terms, the Pledge Agreement or Holdings Guaranty and Pledge Agreement shall for whatever reason be terminated, or shall cease to be in full force and effect; or (iii) the enforceability of the Pledge Agreement or Holdings Guaranty and Pledge Agreement shall be contested by any Credit Party party thereto; or

(o) Holdings or any Subsidiary Guarantor shall assert that its obligations hereunder or under the Security Documents shall be invalid or unenforceable;

then, and in every such event (other than an event with respect to the Borrower described in clause (g) or (h) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (g) or (h) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

#### ARTICLE IX

##### The Administrative Agent

Each of the Lenders and the Issuing Lender hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Chase shall have the same rights and powers in its capacity as a Lender hereunder as any other Lender and may exercise the same as though Chase were not the Administrative Agent, and Chase and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Credit Party or any Subsidiary or other Affiliate of any thereof as if it were not the Administrative Agent hereunder.

##### Credit Agreement

The Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by this Agreement and the other Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders, and (c) except as expressly set forth herein and in the other Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Credit Party or any of their respective Subsidiaries that is communicated to or obtained by Chase or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders or, if provided herein, with the consent or at the request of the Required Revolving Credit Lenders, the Required Tranche A Lenders, Required Tranche B Lenders or the Required Incremental Loan Lenders, or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall not be deemed to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or the other Loan Documents, (ii) the contents of any certificate, report or other document delivered hereunder or under any of the other Loan Documents or in connection herewith of therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, the other Loan Documents or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall not, except to the extent expressly instructed by the Required Lenders with respect to collateral security under the Security Documents, be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Loan Document.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all of its duties, and exercise its rights and powers, by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and

exercise its rights and powers through its Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to its activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent, as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Lender and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. If no successor shall have been so appointed and shall have accepted such appointment within 30 days after such retiring Administrative Agent gives notice of its resignation, then such retiring Administrative Agent may, on behalf of the Lenders and the Issuing Lender, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent, by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Issuing Lender or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Issuing Lender or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement and the other Loan Documents, any related agreement or any document furnished hereunder or thereunder.

#### ARTICLE X

##### Miscellaneous

SECTION 10.01. NOTICES. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 5551 Corporate Boulevard,  
Baton Rouge, Louisiana, 70896, Attention of Keith Istre (Telecopy No.  
(504) 923-0658);

Credit Agreement

(b) if to the Administrative Agent, to The Chase Manhattan Bank, Loan and Agency Services Group, One Chase Manhattan Plaza, New York, New York 10081, Attention of Janet Belden (Telecopy No. (212) 552-5658), with a copy to The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention of William Rottino (Telecopy No (212) 270-1204); and

(c) if to any Lender (including to Chase in its capacity as the Issuing Lender), to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

#### SECTION 10.02. WAIVERS; AMENDMENTS.

(a) Waivers. No failure or delay by the Administrative Agent, the Issuing Lender or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Lender and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Credit Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 10.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Lender may have had notice or knowledge of such Default at the time.

(b) Amendments. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall:

(i) increase the Commitment of any Lender without the written consent of such Lender;

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby;

(iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration or reduction of any Commitment, or postpone the ultimate expiration date of

Credit Agreement

any Letter of Credit beyond the Revolving Credit Termination Date, without the written consent of each Lender affected thereby;

(iv) change Section 2.16(b), (c) or (d) in a manner that would alter the pro rata sharing of payments required thereby, without in each case the written consent of each Lender;

(v) alter the manner in which payments or prepayments of principal, interest or other amounts hereunder shall be applied between or among the Lenders or Classes of Loans without the written consent of the Required Lenders of each Class affected thereby;

(vi) change any of the provisions of this Section 10.02 or the percentage in the definition of "Required Lenders" without the written consent of each Lender; or

(vii) release any Significant Subsidiary Guarantor from its obligations in respect of its Guarantee under Article III, without the written consent of each Lender, except in connection with the disposition of all of the shares of capital stock of a Subsidiary Guarantor in a transaction permitted hereunder or as to which the Required Lenders have consented;

provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Issuing Lender hereunder without the prior written consent of the Administrative Agent or the Issuing Lender, as the case may be.

Anything in this Agreement to the contrary notwithstanding, no waiver or modification of any provision of this Agreement that has the effect (either immediately or at some later time) of enabling the Borrower to satisfy a condition precedent to the making of Revolving Credit Loans shall be effective against the Lenders of any Class unless the Required Lenders of such Class shall have concurred with such waiver or modification, and no waiver or modification of any provision of this Agreement or any other Loan Document that could reasonably be expected to adversely affect the Lenders of any Class shall be effective against the Lenders of such Class unless the Required Lenders of such Class shall have concurred with such waiver or modification.

(c) Pledge Agreements. Neither the Pledge Agreement or the Holdings Guaranty and Pledge Agreement, nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Credit Parties party thereto, and by the Administrative Agent with the consent of the Required Lenders, provided that, without the prior consent of each Lender, the Administrative Agent shall not (except as provided herein or in the Pledge Agreement) release all or any substantial part of the collateral or otherwise terminate all or any substantial part of the Liens under the Pledge Agreement or the Holdings Guaranty and Pledge Agreement, agree to additional obligations being secured by all or any substantial part of such collateral (unless the Lien for such additional obligations shall be junior to the Lien in favor of the other obligations secured by the Pledge Agreement or the Holdings Guaranty and Pledge Agreement, in which event the Administrative Agent may consent to such junior Lien provided that it obtains the consent of the Required Lenders thereto),

Credit Agreement

alter the relative priorities of the obligations entitled to the benefits of the Liens created under the Pledge Agreement or the Holdings Guaranty and Pledge Agreement with respect to all or any substantial part of such collateral, except that no such consent shall be required, and the Administrative Agent is hereby authorized, to release any Lien covering property that is the subject of either a disposition of property permitted hereunder or a disposition to which the Required Lenders have consented. Nothing in this Section 10.02(c) shall be deemed to limit the provisions of Section 10.12.

SECTION 10.03. EXPENSES; INDEMNITY; DAMAGE WAIVER.

(a) Expenses. The Obligors jointly and severally agree to pay, or reimburse the Administrative Agent or Lenders for paying, (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of Special Counsel, in connection with the syndication of the credit facilities provided for herein, the preparation of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by the Administrative Agent, the Issuing Lender or any Lender, including the fees, charges and disbursements of any counsel for such Administrative Agent, Issuing Lender or Lender, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 10.03, or in connection with the Loans made or Letters of Credit issued hereunder, including in connection with any workout, restructuring or negotiations in respect thereof, and (iv) all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the other Loan Documents or any other document referred to herein or therein and all costs, expenses, taxes, assessments and other charges incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Security Document or any other document referred to therein.

(b) Indemnification by Credit Parties. The Obligors jointly and severally agree to indemnify the Administrative Agent, the Issuing Lender and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, the other Loan Documents or any agreement or instrument contemplated hereby, the performance by the parties hereto and thereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Credit Party

or any of their subsidiaries, or any Environmental Liability related in any way to any Credit Party or any of their subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) Indemnification by Lenders. To the extent that the Obligors fail to pay any amount required to be paid by them to the Administrative Agent under paragraph (a) or (b) of this Section 10.03, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such. To the extent that the Obligors fail to pay any amount required to be paid by them to the Issuing Lender under paragraph (a) or (b) of this Section 10.03, each Revolving Credit Lender severally agrees to pay to the Issuing Lender such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Issuing Lender in its capacity as such.

(d) Waiver of Indirect or Consequential Damages, Etc. To the extent permitted by applicable law, none of the Obligors shall assert, and each Obligor hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) Payment upon Demand. All amounts due under this Section 10.03 shall be payable promptly after written demand therefor.

#### SECTION 10.04. SUCCESSORS AND ASSIGNS.

(a) Successors Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Obligor without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the

Issuing Lender and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that

(i) except in the case of an assignment to a Lender or an Affiliate (or Approved Fund) of a Lender, the Administrative Agent (and, in the case of an assignment of all or a portion of a Commitment or any Lender's obligations in respect of its LC Exposure, the Issuing Lender) and the Borrower must give their prior written consent to such assignment (which consent in each case shall not be unreasonably withheld);

(ii) except in the case of an assignment to a Lender or an Affiliate (or Approved Fund) of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent,

(iii) each partial assignment of any Class of Commitments or Loans shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations of such Class of Commitments or Loans under this Agreement,

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, and

(v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

provided further that any consent of the Borrower otherwise required under this paragraph shall not be required if an Event of Default under clause (a), (g) or (h) of Article VIII has occurred and is continuing.

Upon acceptance and recording pursuant to paragraph (d) of this Section 10.04, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 10.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph (b) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

Credit Agreement

Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose vehicle (an "SPC") of such Granting Lender, identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to Section 2.01, provided that (i) nothing herein shall constitute a commitment to make any Loan by an SPC and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by the Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Lender makes such payment. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof arising out of any claim against such SPC under this Agreement. In addition, notwithstanding anything to the contrary contained in this Section 10.04, any SPC may with notice to, but without the prior written consent of, the Borrower or the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to its Granting Lender or to any financial institutions providing liquidity and/or credit support (if any) with respect to commercial paper issued by such SPC to fund such Loans and such SPC may disclose on a confidential basis, confidential information with respect to the Borrower and its Subsidiaries to any rating agency, commercial paper dealer or provider of a surety, guarantee or credit liquidity enhancement to such SPC.

(c) Register. The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Effectiveness of Assignments. Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 10.04 and any written consent to such assignment required by paragraph (b) of this Section 10.04, the Administrative Agent shall accept such Assignment and Acceptance and record the information

contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Participations. Any Lender may, without the consent of the Borrower, the Administrative Agent or the Issuing Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 10.02(b), or the first proviso to Section 10.02(c), that affects such Participant. Subject to paragraph (f) of this Section 10.04, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 10.04.

(f) Limitation on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.15(e) as though it were a Lender.

(g) Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or assignment to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such assignee for such Lender as a party hereto.

(h) No Assignments to Borrower and Affiliates. Anything in this Section 10.04 to the contrary notwithstanding, no Lender may assign or participate any interest in any Loan held by it hereunder to the Borrower or any Affiliates or Subsidiaries of the Borrower without the prior consent of each Lender.

SECTION 10.05. SURVIVAL. All covenants, agreements, representations and warranties made by the Credit Parties herein and in the other Loan Documents, and in the certificates or other instruments delivered in connection with or pursuant to this Agreement and the other Loan Documents, shall be considered to have been relied upon by the other parties

hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Lender or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect so long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or the other Loan Documents is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.13, 2.14, 2.15 and 10.03 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 10.06. COUNTERPARTS; INTEGRATION; EFFECTIVENESS. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.07. SEVERABILITY. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. RIGHT OF SETOFF. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower or any Subsidiary Guarantor against any of and all the obligations of the Borrower or any Subsidiary Guarantor now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section 10.08 are in addition to any other rights and remedies (including other rights of setoff) which such Lender may have.

Credit Agreement

SECTION 10.09. GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS.

(a) Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Submission to Jurisdiction. Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court (or, to the extent permitted by law, in such Federal court). Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, the Issuing Lender or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Obligor or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court referred to in paragraph (b) of this Section 10.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.10.

Credit Agreement

SECTION 10.11. HEADINGS. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. RELEASE OF COLLATERAL AND GUARANTEES. The Administrative Agent and the Lenders agree that if all of the capital stock of any Subsidiary that is owned by the Borrower and its Subsidiaries is sold to any Person as permitted by the terms of this Agreement and the Pledge Agreement, or if any Subsidiary is merged or consolidated with or into any other Person as permitted by the terms of this Agreement and such Subsidiary is not the continuing or surviving corporation, or if any Restricted Subsidiary is designated as an Unrestricted Subsidiary in accordance with the requirements of Section 1.05, the Administrative Agent shall, upon request of the Borrower (and upon the receipt by the Administrative Agent of such evidence as the Administrative Agent or any Lender may reasonably request to establish that such sale, merger, consolidation or designation is permitted by the terms of this Agreement), terminate the Guarantee of such Subsidiary under Article III and authorize the Administrative Agent to release the Lien created by the Pledge Agreement on any capital stock of such Subsidiary (it being understood that, in the case of any release of the Guarantee or capital stock of a Restricted Subsidiary that is to be designated as an Unrestricted Subsidiary, the Administrative Agent may condition the effectiveness of such release upon the delivery to the respective trustees under the Senior Subordinated Notes Indentures and New Senior Subordinated Notes Indentures (or agreement relating to any Refunding Indebtedness) of the documents required pursuant thereto to effect the release of such Restricted Subsidiary from its Guarantee thereunder).

SECTION 10.13. SUCCESSOR FACILITY. This Agreement is intended to be a successor to the Existing Credit Agreement and to replace and refinance the OCI Credit Agreement and to constitute (i) the "Senior Credit Facility" under and for all purposes of each of the Senior Subordinated Notes Indentures and (ii) the "New Credit Facility" under and for all purposes of the OCI Indenture.

SECTION 10.14. EXISTING CREDIT AGREEMENT. Anything in this Agreement to the contrary notwithstanding, the provisions of Article VII shall not be construed to prohibit any action that may not, under Section 7.08 of the Existing Credit Agreement, be prohibited without the consent of the "Required Lenders" thereunder, it being understood that nothing in this Section 10.14 shall be deemed to affect the requirement set forth in Section 5.03(v) that, as a condition to the initial extension of credit hereunder, no Default have occurred and be continuing.

Credit Agreement

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

LAMAR MEDIA CORP. (formally known  
as Lamar Advertising Company)

By: /s/ Keith Istre

-----  
Title: Chief Financial Officer

Credit Agreement

## SUBSIDIARY GUARANTORS

INTERSTATE LOGOS, INC.  
THE LAMAR CORPORATION  
LAMAR ADVERTISING OF MOBILE, INC.  
LAMAR ADVERTISING OF COLORADO  
SPRINGS, INC.  
LAMAR ADVERTISING OF SOUTH  
MISSISSIPPI, INC.  
LAMAR ADVERTISING OF JACKSON, INC.  
LAMAR TEXAS GENERAL PARTNER, INC.  
LAMAR ADVERTISING OF SOUTH  
GEORGIA, INC.  
TLC PROPERTIES, INC.  
TLC PROPERTIES II, INC.  
LAMAR PENSACOLA TRANSIT, INC.  
LAMAR ADVERTISING OF  
YOUNGSTOWN, INC.  
NEBRASKA LOGOS, INC.  
OKLAHOMA LOGO SIGNS, INC.  
MISSOURI LOGOS, INC.  
OHIO LOGOS, INC.  
UTAH LOGOS, INC.  
TEXAS LOGOS, INC.  
MISSISSIPPI LOGOS, INC.  
GEORGIA LOGOS, INC.  
SOUTH CAROLINA LOGOS, INC.  
VIRGINIA LOGOS, INC.  
MINNESOTA LOGOS, INC.  
MICHIGAN LOGOS, INC.  
NEW JERSEY LOGOS, INC.  
FLORIDA LOGOS, INC.  
KENTUCKY LOGOS, INC.  
NEVADA LOGOS, INC.  
TENNESSEE LOGOS, INC.  
KANSAS LOGOS, INC.  
COLORADO LOGOS, INC.  
NEW MEXICO LOGOS, INC.  
LAMAR ADVERTISING OF HUNTINGTON-  
BRIDGEPORT, INC.

Credit Agreement

LAMAR ADVERTISING OF PENN, INC.  
LAMAR ADVERTISING OF  
MISSOURI, INC.  
LAMAR ADVERTISING OF  
MICHIGAN, INC.  
LAMAR ELECTRICAL, INC.  
LAMAR ADVERTISING OF  
SOUTH DAKOTA, INC.  
LAMAR ADVERTISING OF  
WEST VIRGINIA, INC.  
LAMAR ADVERTISING OF  
ASHLAND, INC.  
AMERICAN SIGNS, INC.  
LAMAR OCI NORTH CORPORATION  
LAMAR OCI SOUTH CORPORATION  
LAMAR ADVERTISING OF  
GREENVILLE, INC.  
LAMAR ROBINSON, INC.  
LAMAR ADVERTISING OF  
KENTUCKY, INC.  
LAMAR ADVERTISING OF ROLAND, INC.  
LAMAR ADVERTISING OF JOPLIN, INC.

By: /s/ Keith Istre

-----  
Title: Chief Financial Officer

Credit Agreement

LAMAR TEXAS LIMITED PARTNERSHIP  
By Lamar Texas General Partner, Inc.  
its general partner

By: /s/ Keith Istre  
-----  
Title: Chief Financial Officer

LAMAR TENNESSEE, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith Istre  
-----  
Title: Chief Financial Officer

LAMAR AIR, L.L.C.  
By The Lamar Corporation, its manager

By: /s/ Keith Istre  
-----  
Title: Chief Financial Officer

TLC PROPERTIES, L.L.C.  
By TLC Properties, Inc., its manager

By: /s/ Keith Istre  
-----  
Title: Chief Financial Officer

Credit Agreement

LENDERS

THE CHASE MANHATTAN BANK,  
as Lender and Administrative Agent

By /s/ Marian N. Schulman

-----  
Name: Marian N. Schulman  
Title: Vice President

Credit Agreement

FIRST UNION NATIONAL BANK,  
as Lender and Co-Documentation Agent

By /s/ Jeff Graci  
-----  
Name: Jeff Graci  
Title: Vice President

Credit Agreement

FLEET NATIONAL BANK, as  
Lender and Co-Documentation Agent

By /s/ Tanya M. Crossley  
-----  
Name: Tanya M. Crossley  
Title: Vice President

Credit Agreement

THE FIRST NATIONAL BANK OF CHICAGO,  
as Lender and Co-Documentation Agent

By /s/ Lynne M. Sanders

-----  
Name: Lynne M. Sanders

Title: Assistant Vice President

Credit Agreement

ABN AMRO BANK N.V.

By /s/ Ann Schwalbenberg

-----  
Name: Ann Schwalbenberg  
Title: Vice President

By /s/ Thomas Rogers

-----  
Name: Thomas Rogers  
Title: Vice President

Credit Agreement

BANK OF MONTREAL,  
CHICAGO BRANCH

By /s/ Ola Anderssen

-----  
Name: Ola Anderssen  
Title: Director

Credit Agreement

BANKERS TRUST COMPANY

By /s/ Gregory Shefrin

-----  
Name: Gregory Shefrin  
Title: Principal

Credit Agreement

COMPAGNIE FINANCIERE DE  
CIC ET DE L'UNION EUROPEENE

By /s/ Marcus Edward  
-----  
Name: Marcus Edward  
Title: Vice President

By /s/ Sean Mounier  
-----  
Name: Sean Mounier  
Title: First Vice President

Credit Agreement

CREDIT LYONNAIS,  
NEW YORK BRANCH

By /s/ Pascal Poupelle

-----  
Name: Pascal Poupelle  
Title: Executive Vice President

Credit Agreement

MITSUBISHI TRUST & BANKING  
CORPORATION

By /s/ Masayuki Mitsuhashi

-----  
Name: Masayuki Mitsuhashi

Title: Deputy General Manager

Credit Agreement

SUNTRUST BANK, CENTRAL  
FLORIDA N.A.

By /s/ W. David Wisdom

-----  
Name: W. David Wisdom  
Title: Vice President

Credit Agreement

UNION BANK OF CALIFORNIA, N.A.

By /s/ Stender E. Sweeney

-----  
Name: Stender E. Sweeney  
Title: Assistant Vice President

Credit Agreement

THE BANK OF NEW YORK

By /s/ Cynthia L. Rogers

-----  
Name: Cynthia L. Rogers  
Title: Vice President

Credit Agreement

THE BANK OF NOVA SCOTIA

By /s/ Paul A. Weissenberger  
-----  
Name: P.A. Weissenberger  
Title: Authorized Signatory

Credit Agreement

DRESDNER BANK AG, NEW YORK  
AND GRAND CAYMAN BRANCHES

By /s/ William E. Lambert  
-----  
Name: William E. Lambert  
Title: Vice President

By /s/ Brian E. Haughney  
-----  
Name: Brian E. Haughney  
Title: Assistant Vice President

Credit Agreement

BANK AUSTRIA CREDITANSTALT  
CORPORATE FINANCE, INC.

By /s/ Stephen W. Hipp

-----  
Name: Stephen W. Hipp  
Title: Senior Associate

By /s/ John G. Taylor

-----  
Name: John G. Taylor  
Title: Vice President

Credit Agreement

KEY CORPORATE CAPITAL INC.

By /s/ Jason R. Weaver

-----  
Name: Jason R. Weaver  
Title: Vice President

Credit Agreement

BANK OF AMERICA, N.A.

By /s/ Todd Shipley

-----  
Name: Todd Shipley  
Title: Senior Vice President

Credit Agreement

BANQUE NATIONALE DE PARIS,  
NEW YORK BRANCH

By /s/ Serge Desrayaud

-----  
Name: Serge Desrayaud  
Title: Vice President

By /s/ Gregg W. Bonardi

-----  
Name: Gregg W. Bonardi  
Title: Vice President

Credit Agreement

CIBC INC.

By /s/ Colleen Risorto

-----  
Name: Colleen Risorto  
Title: Executive Director  
CIBC World Markets Corp. As Agent

Credit Agreement

THE FUJI BANK, LIMITED

By /s/ Teiji Teramoto

-----  
Name: Teiji Teramoto  
Title: Vice President & Manager

Credit Agreement

THE INDUSTRIAL BANK OF JAPAN,  
LIMITED, NEW YORK BRANCH

By /s/ Mike Oakes

-----  
Name: Mike Oakes

Title: Senior Vice President, Houston Office

Credit Agreement

MELLON BANK, N.A.

By /s/ Alexander M. Gordon

-----  
Name: Alexander M. Gordon  
Title: Lending Officer

Credit Agreement

MERCANTILE BANK NATIONAL  
ASSOCIATION

By /s/ Teresa A. Lekich

-----  
Name: Teresa A. Lekich  
Title: Vice President

Credit Agreement

PNC BANK, NATIONAL ASSOCIATION

By /s/ John T. Wilden

-----  
Name: John T. Wilden  
Title: Vice President

Credit Agreement

US BANK NATIONAL ASSOCIATION

By /s/ Tom G. Gunder

-----  
Name: Tom G. Gunder  
Title: Vice President

Credit Agreement

BAYERISCHE HYPO-UND  
VEREINSBANK AG, NEW YORK BRANCH

By /s/ Sylvia K. Cheng  
-----  
Name: Sylvia K. Cheng  
Title: Director

By /s/ Carlo Lamberti  
-----  
Name: Carlo Lamberti  
Title: Associate Director

Credit Agreement

NATIONAL CITY BANK

By /s/ Wilmer J. Jacobs

-----  
Name: Wilmer J. Jacobs  
Title: Officer

Credit Agreement

ALLFIRST BANK

By /s/ Christopher L. Smith

-----  
Name: Christopher L. Smith  
Title: Vice President

Credit Agreement

BANK OF HAWAII

By /s/ James C. Polk

-----  
Name: James C. Polk  
Title: Vice President

Credit Agreement

THE DAI-ICHI KANGYO BANK LTD.

By /s/ Kazuki Shimizu

-----  
Name: Kazuki Shimizu  
Title: Vice President

Credit Agreement

ERSTE BANK DER OESTERREICHISCHEN  
SPARKASSEN

By /s/ John S. Runnion

-----  
Name: John S. Runnion  
Title: First Vice President

By /s/ Rima Terradista

-----  
Name: Rima Terradista  
Title: Vice President

Credit Agreement

MICHIGAN NATIONAL BANK

By /s/ Jeffrey W. Billig

-----  
Name: Jeffrey W. Billig  
Title: Relationship Manager

Credit Agreement

STATE STREET BANK AND TRUST  
COMPANY

By /s/ Diane I. Rooney

-----  
Name: Diane I. Rooney

Title: Vice President

Credit Agreement

FIRSTTRUST BANK

By /s/ Kent D. Nelson

-----  
Name: Kent D. Nelson  
Title: Vice President

Credit Agreement

WEBSTER BANK

By /s/ Barbara E. Hillmeyer

-----  
Name: Barbara E. Hillmeyer  
Title: Vice President

Credit Agreement

FRANKLIN FLOATING RATE TRUST

By /s/ Chauncey Lufkin

-----  
Name: Chauncey Lufkin  
Title: Vice President

Credit Agreement

ARCHIMEDES FUNDING, L.L.C.

By: ING Capital Advisors LLC  
as Collateral Manager

By /s/ Michael D. Hatley

-----  
Name: Michael D. Hatley  
Title: Managing Director

Credit Agreement

BALANCED HIGH-YIELD FUND II LTD.  
By: BHF (USA) Capital Corporation  
as Attorney-in Fact

By /s/ Steven Alexander  
-----  
Name: Steven Alexander  
Title: Associate

By /s/ Nancy Ho  
-----  
Name: Nancy Ho  
Title: Associate

Credit Agreement

GENERAL ELECTRIC CAPITAL  
CORPORATION

By /s/ W. Jerome McDermott

-----  
Name: W. Jerome McDermott

Title: Duly Authorized Signatory

Credit Agreement

KZH-SOLEIL-2 LLC

By /s/ Peter Chin

-----  
Name: Peter Chin  
Title: Authorized Agent

Credit Agreement

METROPOLITAN LIFE INSURANCE COMPANY

By /s/ James R. Dingler

-----  
Name: James R. Dingler  
Title: Director

Credit Agreement

PPM AMERICA, INC., as Attorney-in-Fact,  
on behalf on Jackson National Life Insurance  
Company

By /s/ John Walding

-----  
Name: John Walding  
Title: Managing Director

Credit Agreement

SRF TRADING, INC.

By /s/ Kelly C. Walker

-----  
Name: Kelly C. Walker  
Title: Vice President

Credit Agreement

TORONTO DOMINION (TEXAS), INC.

By /s/ Jorge A. Garcia

-----  
Name: Jorge A. Garcia  
Title: Vice President

Credit Agreement

KZH WATERSIDE LLC

By /s/ Peter Chin

-----  
Name: Peter Chin  
Title: Authorized Agent

Credit Agreement

PARIBAS CAPITAL FUNDING LLC

By /s/ M.S. Alexander

-----  
Name: M.S. Alexander  
Title: Director

Credit Agreement

TYLER TRADING, INC.

By /s/ David W. Nabors

-----  
Name: David W. Nabors  
Title: Vice President

Credit Agreement

KZH CRESCENT-2 LLC

By /s/ Peter Chin

-----  
Name: Peter Chin  
Title: Authorized Agent

Credit Agreement

KEMPER FLOATING RATE FUND

By /s/ Mark E. Wittnebel

-----  
Name: Mark E. Wittnebel  
Title: S.V.P.

Credit Agreement

PINEHURST TRADING, INC.

By /s/ Kelly C. Walker

-----  
Name: Kelly C. Walker  
Title: Vice President

Credit Agreement

SEQUILS I, LTD.  
By: TCW Advisors, Inc.  
as its Collateral Manager

By /s/ Mark L. Gold  
-----  
Name: Mark L. Gold  
Title: Managing Director

By /s/ Jonathan Berg  
-----  
Name: Jonathan Berg  
Title: Assistant Vice President

Credit Agreement

KZH CRESCENT LLC

By /s/ Peter Chin

-----  
Name: Peter Chin  
Title: Authorized Agent

Credit Agreement

KZH CYPRESS TREE-1 LLC

By /s/ Peter Chin

-----  
Name: Peter Chin

Title: Authorized Agent

Credit Agreement

CYPRESSTREE INVESTMENT FUND LLC  
By: CypressTree Investment Management Company,  
Inc. its Managing Member

By /s/ Philip C. Robbins  
-----  
Name: Philip C. Robbins  
Title: Principal

Credit Agreement

CYPRESSTREE INVESTMENT MANAGEMENT COMPANY, INC.  
As: Attorney-in-Fact and on behalf of First  
Allmerica Financial Life Insurance Company  
as Portfolio Manager

By /s/ Philip C. Robbins

-----  
Name: Philip C. Robbins  
Title: Principal

Credit Agreement

NORTH AMERICAN SENIOR FLOATING RATE  
FUND

By: CypressTree Investment Management  
Company, Inc.  
as Portfolio Manager

By /s/ Philip C. Robbins

-----  
Name: Philip C. Robbins  
Title: Principal

Credit Agreement

CYPRESSTREE SENIOR FLOATING RATE FUND  
By: CypressTree Investment Management  
Company, Inc.  
as Portfolio Manager

By /s/ Philip C. Robbins

-----  
Name: Philip C. Robbins  
Title: Principal

Credit Agreement

## Schedule 2.01

NAME OF INSTITUTION	REVOLVING CREDIT COMMITMENTS	TRANCHE A TERM LOAN COMMITMENTS	TRANCHE B TERM LOAN COMMITMENTS	TOTAL
The Chase Manhattan Bank	\$ 18,484,375	\$ 23,765,625	\$ 101,750,000	\$ 144,000,000
First Union National Bank	17,500,000	22,500,000	2,000,000	42,000,000
Fleet National Bank	17,500,000	22,500,000	2,000,000	42,000,000
First National Bank of Chicago	17,500,000	22,500,000	--	40,000,000
ABN Amro Bank N.V.	10,937,500	14,062,500	2,000,000	27,000,000
Bank of Montreal, Chicago Branch	10,937,500	14,062,500	2,000,000	27,000,000
Bankers Trust Company	10,937,500	14,062,500	2,000,000	27,000,000
Compagnie Financiere de CIC et de L'Union Europeene	10,937,500	14,062,500	2,000,000	27,000,000
Credit Lyonnais New York Branch	10,937,500	14,062,500	2,000,000	27,000,000
Mitsubishi Trust & Banking Corporation	10,937,500	14,062,500	2,000,000	27,000,000
SunTrust Bank, Central Florida N.A.	10,937,500	14,062,500	2,000,000	27,000,000
Union Bank of California, N.A.	10,937,500	14,062,500	2,000,000	27,000,000
The Bank of New York	10,937,500	14,062,500	--	25,000,000
The Bank of Nova Scotia	10,937,500	14,062,500	--	25,000,000
Dresdner Bank AG, New York and Grand Cayman Branches	10,937,500	14,062,500	--	25,000,000
Bank Austria Creditanstalt Corporate Finance, Inc.	8,859,375	11,390,625	2,000,000	22,250,000
Key Corporate Capital Inc.	8,859,375	11,390,625	1,000,000	21,250,000
Bank of America, N.A.	8,859,375	11,390,625	--	20,250,000
Banque Nationale de Paris, New York Branch	8,859,375	11,390,625	--	20,250,000
CIBC Inc.	8,859,375	11,390,625	--	20,250,000
The Fuji Bank, Limited	8,859,375	11,390,625	--	20,250,000
The Industrial Bank of Japan, Limited, New York Branch	8,859,375	11,390,625	--	20,250,000
Mellon Bank, N.A.	8,859,375	11,390,625	--	20,250,000
Mercantile Bank National Association	8,859,375	11,390,625	--	20,250,000
PNC Bank, National Association	8,859,375	11,390,625	--	20,250,000
US Bank National Association	8,859,375	11,390,625	--	20,250,000
Bayerische Hypo-und Vereinsbank AG New York Branch	6,562,500	8,437,500	1,000,000	16,000,000
National City Bank	6,562,500	8,437,500	1,000,000	16,000,000
Allfirst Bank	6,562,500	8,437,500	--	15,000,000
Bank of Hawaii	6,562,500	8,437,500	--	15,000,000
The Dai-Ichi Kangyo Bank Ltd.	6,562,500	8,437,500	--	15,000,000
Erste Bank der Oesterreichischen Sparkassen	6,562,500	8,437,500	--	15,000,000
Michigan National Bank	6,562,500	8,437,500	--	15,000,000
State Street Bank and Trust Company	6,562,500	8,437,500	--	15,000,000

Firsttrust Bank	4,375,000	5,625,000	--	10,000,000
Webster Bank	4,375,000	5,625,000	--	10,000,000

Schedule 2.01 to Credit Agreement

Franklin Floating Rate Trust	--	--	6,000,000	6,000,000
Archimedes Funding, L.L.C.	--	--	5,000,000	5,000,000
Balanced High-Yield Fund II Ltd.	--	--	5,000,000	5,000,000
General Electric Capital Corporation	--	--	5,000,000	5,000,000
KZH - Soleil-2 LLC	--	--	5,000,000	5,000,000
Metropolitan Life Insurance Company	--	--	5,000,000	5,000,000
PPM America, Inc.	--	--	5,000,000	5,000,000
SRF Trading, Inc.	--	--	5,000,000	5,000,000
Toronto Dominion (Texas), Inc.	--	--	5,000,000	5,000,000
KZH Waterside LLC	--	--	4,000,000	4,000,000
Paribas Capital Funding LLC	--	--	4,000,000	4,000,000
Tyler Trading, Inc.	--	--	4,000,000	4,000,000
KZH Crescent-2 LLC	--	--	2,500,000	2,500,000
Kemper Floating Rate Fund	--	--	2,000,000	2,000,000
Pinehurst Trading, Inc.	--	--	2,000,000	2,000,000
Sequils I, Ltd.	--	--	2,000,000	2,000,000
KZH Crescent LLC	--	--	1,500,000	1,500,000
KZH Cypress Tree-1 LLC	--	--	1,500,000	1,500,000
Cypresstree Investment Fund LLC	--	--	1,000,000	1,000,000
Cypresstree Investment Management Company, Inc.	--	--	1,000,000	1,000,000
North American Senior Floating Rate Fund	--	--	1,000,000	1,000,000
Cypresstree Senior Floating Rate Fund	--	--	750,000	750,000
	-----	-----	-----	-----
TOTAL FUND COMMITMENTS			\$350,000,000	\$450,000,000
			\$200,000,000	\$1,000,000,000

Schedule 2.01 to Credit Agreement

Schedule 4.06

Disclosed Matters

Section 4.06(a). None.

Section 4.06(b). None.

Schedule 4.06 to Credit Agreement

## Schedule 4.11

## Supplemental Disclosure

1. The Justice Department of the United States will require the divestiture of some of the assets of Chancellor incident to the closing of the Chancellor Acquisition. Negotiations are currently underway with representatives of the Justice Department to determine the specific areas of overlap of Chancellor assets with assets of Borrower and its Restricted Subsidiaries. It is unknown at this time the extent and value of the assets that might be subject to divestiture. The possible purchasers are also unknown.

2. Holdings is contemplating the issuance of the Senior Notes pursuant to the Holdings Indenture. The net proceeds of that offering are to be invested in Borrower and used by Borrower to prepay amounts due under the Amended and Restated Credit agreement between Borrower and The Chase Manhattan Bank, as Administrative Agent, dated July 16, 1998.

Schedule 4.11 to Credit Agreement

## Schedule 4.13

## Material Agreements and Liens

## Material Agreements

DESCRIPTION -----	COLLATERAL -----	PRINCIPAL BALANCES 4/30/99 -----
8% SERIES A UNSECURED SUBORDINATED DISCOUNT DEBENTURES DUE 2001	NONE	\$ 1,273,134
8% UNSECURED SUBORDINATED NOTES DUE 2006	NONE	14,666,665
11% SENIOR SECURED NOTES DUE MAY 15, 2003 PURSUANT TO INDENTURE DATED AS OF MAY 15, 1993	NONE	1,172,000
STATE STREET BANK AND TRUST COMPANY, AS TRUSTEE DATED AS OF SEPTEMBER 25, 1997 9.625% SENIOR SUBORDINATED NOTES DUE 2006	NONE	255,000,000
STATE STREET BANK AND TRUST COMPANY, AS TRUSTEE DATED AS OF SEPTEMBER 25, 1997 8.625% SENIOR SUBORDINATED NOTES DUE 2007 (NET OF UNAMORTIZED DISCOUNT)	NONE	198,816,060
FIRST UNION NATIONAL BANK, AS TRUSTEE, DATED AUGUST 15, 1997, 9 1/4% SENIOR SUBORDINATED NOTES DUE 2007	NONE	103,949,000
THE CHASE MANHATTAN BANK AS ADMINISTRATIVE AGENT, CREDIT AGREEMENT DATED JULY 16, 1998 COMMITMENT TERM FACILITY UTILIZATION REVOLVER UTILIZATION INCREMENTAL FACILITY UTILIZATION	EQUITY INTERESTS OF CERTAIN RESTRICTED SUBSIDIARIES	400,000,000 150,000,000 20,000,000 100,000,000

Schedule 4.13 to Credit Agreement

AMENDED AND RESTATED  
STOCK PURCHASE AGREEMENT  
BY AND BETWEEN LAMAR MEDIA  
CORP. (FORMERLY LAMAR  
ADVERTISING COMPANY) AND  
CHANCELLOR MEDIA OF LOS ANGELES  
AND CHANCELLOR MEZZANINE  
HOLDINGS CORPORATION, DATED AS  
OF JUNE 12, 1999

AMENDED AND RESTATED VOTING  
AGREEMENT BY AND BETWEEN LAMAR  
MEDIA CORPORATION (FORMERLY  
LAMAR ADVERTISING COMPANY),  
CHANCELLOR MEDIA CORPORATION OF  
LOS ANGELES, CHANCELLOR  
MEZZANINE HOLDINGS CORPORATION,  
AND REILLY FAMILY LIMITED  
PARTNERSHIP, DATED AS OF JUNE 12,  
1999

LIMITED WAIVER AND CONSENT BY  
AND BETWEEN LAMAR ADVERTISING  
COMPANY, LAMAR NEW HOLDING CO.,  
CHANCELLOR MEZZANINE HOLDINGS  
CORPORATION AND CHANCELLOR  
MEDIA CORPORATION OF LOS  
ANGELES, DATED AS OF JULY 19, 1999

Liens

See Schedule 7.02.

Schedule 4.13 to Credit Agreement

## Schedule 4.14

## Subsidiaries of Lamar Media Corp. ("LMC")

1. Interstate Logos, Inc. ("ILI")
  - (i) Delaware
  - (ii) LMC and TLC
  - (iii) 66 2/3% common stock (LMC)  
33 1/3% common stock (TLC)
  - (iv) Restricted Subsidiary
2. The Lamar Corporation ("TLC")
  - (i) Louisiana
  - (ii) LMC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
3. Lamar Advertising of Mobile, Inc.
  - (i) Alabama
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
4. Lamar Advertising of Colorado Springs, Inc.
  - (i) Colorado
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
5. Lamar Advertising of South Mississippi, Inc.
  - (i) Mississippi
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

Schedule 4.14 to Credit Agreement

6. Lamar Advertising of Jackson, Inc.
  - (i) Mississippi
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
7. Lamar Texas General Partner, Inc. ("TXGP")
  - (i) Louisiana
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
8. Lamar Advertising of South Georgia, Inc.
  - (i) Georgia
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
9. TLC Properties, Inc.
  - (i) Louisiana
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
10. TLC Properties II, Inc.
  - (i) Texas
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
11. Lamar Pensacola Transit, Inc.
  - (i) Florida
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

12. Lamar Advertising of Youngstown, Inc.
  - (i) Delaware
  - (ii) TLC
  - (iii) 100% common
  - (iv) Restricted Subsidiary
  
13. Nebraska Logos, Inc.
  - (i) Nebraska
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
14. Oklahoma Logo Signs, Inc.
  - (i) Oklahoma
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
15. Missouri Logos, Inc. ("MLI")
  - (i) Missouri
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
16. Ohio Logos, Inc.
  - (i) Ohio
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
17. Utah Logos, Inc.
  - (i) Utah
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

Schedule 4.14 to Credit Agreement

18. Texas Logos, Inc.
  - (i) Texas
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
19. Mississippi Logos, Inc.
  - (i) Mississippi
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
20. Georgia Logos, Inc.
  - (i) Georgia
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
21. South Carolina Logos, Inc.
  - (i) South Carolina
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
22. Virginia Logos, Inc.
  - (i) Virginia
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
23. Minnesota Logos, Inc. ("MNLI")
  - (i) Minnesota
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

Schedule 4.14 to Credit Agreement

- 24. Michigan Logos, Inc.
  - (i) Michigan
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 25. New Jersey Logos, Inc.
  - (i) New Jersey
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 26. Florida Logos, Inc.
  - (i) Florida
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 27. Kentucky Logos, Inc.
  - (i) Kentucky
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 28. Nevada Logos, Inc.
  - (i) Nevada
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 29. Tennessee Logos, Inc.
  - (i) Tennessee
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

Schedule 4.14 to Credit Agreement

- 30. Kansas Logos, Inc.
  - (i) Kansas
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 31. Colorado Logos, Inc.
  - (i) Colorado
  - (ii) ILI
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 32. Lamar Advertising of Huntington-Bridgeport, Inc.
  - (i) West Virginia
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 33. Lamar Advertising of Penn, Inc.
  - (i) Delaware
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 34. Lamar Advertising of Missouri, Inc.
  - (i) Missouri
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 35. Lamar Advertising of Michigan, Inc.
  - (i) Michigan
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

Schedule 4.14 to Credit Agreement

- 36. Lamar Electrical, Inc.
  - (i) Louisiana
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 37. Lamar Advertising of South Dakota, Inc.
  - (i) South Dakota
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 38. Lamar Advertising of West Virginia, Inc.
  - (i) West Virginia
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 39. Lamar Advertising of Ashland, Inc.
  - (i) Kentucky
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 40. American Signs, Inc.
  - (i) Washington
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 41. Lamar OCI North Corporation
  - (i) Delaware
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary

Schedule 4.14 to Credit Agreement

- 42. Lamar OCI South Corporation
  - (i) Mississippi
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 43. Lamar Advertising of Greenville, Inc.
  - (i) Mississippi
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 44. Lamar Robinson, Inc.
  - (i) Missouri
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 45. Lamar Advertising of Kentucky, Inc.
  - (i) Kentucky
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 46. Lamar Advertising of Roland, Inc.
  - (i) Tennessee
  - (ii) TLC
  - (iii) 100% common stock
  - (iv) Restricted Subsidiary
  
- 47. Missouri Logos, a Partnership
  - (i) Missouri
  - (ii) MLI and Missouri Logo Sign Company
  - (iii) 66 2/3% of the general partnership interest (MLI)  
33 1/3% of general partnership interest (Missouri Logo Sign Company)
  - (iv) Restricted Subsidiary

48. Lamar Texas Limited Partnership  
(i) Louisiana  
(ii) TLC and TXGP  
(iii) 99% of the partnership interest and Limited Partner (TLC)  
1% of the partnership interest and General Partner (TXGP)  
(iv) Restricted Subsidiary
49. Lamar Tennessee, L.L.C.  
(i) Tennessee  
(ii) TLC  
(iii) 100% of the equity interest (TLC)  
(iv) Restricted Subsidiary
50. Lamar Air, L.L.C.  
(i) Louisiana  
(ii) TLC and ILI  
(iii) 90% of the equity interest (TLC)  
10% of the equity interest (ILI)  
(iv) Restricted Subsidiary
51. TLC Properties, L.L.C.  
(i) Louisiana  
(ii) TLC Properties, Inc.  
(iii) 100% membership interest  
(iv) Restricted Subsidiary
52. Canadian TODS Limited  
(i) Nova Scotia, Canada  
(ii) ILI  
(iii) 100% Common Stock  
(iv) Restricted Subsidiary
53. New Mexico Logos, Inc.  
(i) New Mexico  
(ii) ILI  
(iii) 100% common stock  
(iv) Restricted Subsidiary

54. Lamar Advertising of Joplin, Inc.  
(i) Missouri  
(ii) TLC  
(iii) 100% common stock  
(iv) Restricted Subsidiary

## INACTIVE SUBSIDIARIES

1. Lamar PCS, Inc.  
(i) Delaware  
(ii) The Lamar Corporation  
(iii) 100% common stock  
(iv) Inactive Subsidiary
2. Lamar Advertising of California, Inc.  
(i) Delaware  
(ii) LMC  
(iii) 100% common stock  
(iv) Inactive Subsidiary

## SUBSIDIARIES TO BE ACQUIRED IN THE CHANCELLOR ACQUISITION

1. Chancellor Media Outdoor Corporation  
(i) Delaware  
(ii) Chancellor Media Corporation of Los Angeles (Seller)  
(iii) 100% common stock  
(iv) Anticipated Restricted Subsidiary
2. Chancellor Media Nevada Sign Corporation  
(i) Delaware  
(ii) Chancellor Media Outdoor Corporation  
(iii) 100% common stock  
(iv) Anticipated Restricted Subsidiary

Schedule 4.14 to Credit Agreement

3. Chancellor Media MW Sign Corporation
  - (i) Delaware
  - (ii) Chancellor Media Outdoor Corporation
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
  
4. Chancellor Media Martin Corporation
  - (i) Delaware
  - (ii) Chancellor Media Outdoor Corporation
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
  
5. Western Poster Services, Inc.
  - (i) Texas
  - (ii) Chancellor Media Outdoor Corporation  
William Pierce  
Rachel Kitchens
  - (iii) 73.4% of the common stock (Chancellor Media Outdoor Corporation)  
23.3% of the common stock (William Pierce)  
3.3% of the common stock (Rachel Kitchens)
  - (iv) Anticipated Restricted Subsidiary
  
6. Revolution Outdoor Advertising, Inc.
  - (i) Florida
  - (ii) Chancellor Media Outdoor Corporation
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
  
7. Chancellor Media Whiteco Outdoor Corporation
  - (i) Delaware
  - (ii) Chancellor Mezzanine Holdings Corporation
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
  
8. Triumph Outdoor Holdings, L.L.C.
  - (i) Delaware
  - (ii) Chancellor Media Outdoor Corporation
  - (iii) 100% of the equity interest
  - (iv) Anticipated Restricted Subsidiary

Schedule 4.14 to Credit Agreement

9. Martin Media, L.P.
  - (i) California
  - (ii) Chancellor Media Nevada Sign Corporation  
Chancellor Media Outdoor Corporation  
Chancellor Media MW Sign Corporation  
Chancellor Media MW Sign Corporation
  - (iii) 17.07% of the limited partnership interest (Chancellor Media Nevada Sign Corporation)  
81.36% of the limited partnership interest (Chancellor Media Outdoor Corporation)  
0.55% of general partnership interest (Chancellor Media MW Sign Corporation)  
1.02% of the limited partnership interest (Chancellor Media MW Sign Corporation)  
100% common stock
  - (iv) Anticipated Restricted Subsidiary
10. Dowling Company Incorporated
  - (i) Virginia
  - (ii) Martin Media, L.P.
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
11. Lindsay Outdoor, Inc.
  - (i) California
  - (ii) Chancellor Media Martin Corporation
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
12. Scenic Outdoor Marketing & Consulting, Inc.
  - (i) California
  - (ii) Chancellor Media Martin Corporation
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
13. Hardin Development Corp.
  - (i) Florida
  - (ii) Revolution Outdoor Advertising, Inc.
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary

Schedule 4.14 to Credit Agreement

14. Parsons Development Company
  - (i) Florida
  - (ii) Revolution Outdoor Advertising, Inc.
  - (iii) 100% common stock
  - (iv) Anticipated Restricted Subsidiary
  
15. Outdoor Promotions West, L.L.C.
  - (i) Delaware
  - (ii) Triumph Outdoor Holdings, L.L.C.
  - (iii) 100% common of the equity interest
  - (iv) Anticipated Restricted Subsidiary
  
16. Transit America Las Vegas, L.L.C.
  - (i) Delaware
  - (ii) Triumph Outdoor Holdings, L.L.C.
  - (iii) 100% of the equity interest
  - (iv) Anticipated Restricted Subsidiary
  
17. Triumph Outdoor Louisiana, LLC
  - (i) Delaware
  - (ii) Triumph Outdoor Holdings, L.L.C.
  - (iii) 100% of the equity interest
  - (iv) Anticipated Restricted Subsidiary
  
18. Triumph Outdoor Rhode Island, LLC
  - (i) Delaware
  - (ii) Triumph Outdoor Holdings, L.L.C.
  - (iii) 100% of the equity interest
  - (iv) Anticipated Restricted Subsidiary

Schedule 4.14 to Credit Agreement

Schedule 7.01  
Existing Indebtedness

DESCRIPTION ----- (By Maker and Holder)	PRINCIPAL BALANCES 4/30/99 -----
 LAMAR ADVERTISING OF MOBILE, INC	
Small Business Administration	\$ 14,574
Small Business Administration Waller Acquisition	155,089
E. B. Chester non-compete	351,822
First Community Bank Outdoor East Acquisition	5,740
 THE LAMAR CORPORATION	
Roy Loup	15,864
Woodlawn Land Company, Inc.	220,663
Southeastern Displays, Inc.	6,977
Allen Robichaux	219,858
T & L Management Outdoor Advertising, Inc.	230,201
Vann Outdoor Advertising	75,275
Danny and Ann Schnitzer	50,000
Imperial Outdoor Advertising	1,980,958
 LAMAR TEXAS LIMITED PARTNERSHIP	
Small Business Administration	38,902
Small Business Administration	192,959
 TLC PROPERTIES, INC	
Nick Stamitoles	24,881
Nick Stamitoles	25,678
Peach Tree Realty	64,424

Schedule 7.01 to Credit Agreement

DESCRIPTION ----- (By Maker and Holder)	PRINCIPAL BALANCES 4/30/99 -----
LAMAR ADVERTISING OF JACKSON, INC	
Small Business Administration	22,430
LAMAR TENNESSEE LIMITED PARTNERSHIP II	
Witt Outdoor, Inc.	100,000
Dominion Signs, Incorporated	140,030
INTERSTATE LOGOS, INC	
Travelsigns Non-Competition Agreement	168,750
LAMAR ADVERTISING OF MISSOURI, INC	
David Odegard	300,000
LAMAR MEDIA CORP	
Jim Gilbeau	26,197
Cynthia L. Hill	84,000
Ronald W. Hill	126,000
First Interstate Bank	
Northwest Acquisition	172,716
Walz Marketing, Inc.	537,522
Scott Butterfield - Northwest Acquisition	100,000
Willard T. Shelton	300,000
Brentwood Development	766,375
Esplanade, L.L.C	75,257
Travelers Property Casualty Insurance Company	251,963
8% Series A Unsecured Subordinated Discount Debentures Due 2001	1,273,134

Schedule 7.01 to Credit Agreement

DESCRIPTION ----- (By Maker and Holder)	PRINCIPAL BALANCES 4/30/99 -----
8% Unsecured Subordinated Notes Due 2006	14,666,665
11% Senior Secured Notes Due May 15, 2003 Pursuant to Indenture Dated As of May 15, 1993	1,172,000
State Street Bank and Trust Company, As Trustee Dated As Of September 25, 1997 9.625% Senior Subordinated Notes Due 2006	255,000,000
State Street Bank and Trust Company, As Trustee Dated As Of September 25, 1997 8.625% Senior Subordinated Notes Due 2007 (Net Of Unamortized Discount)	198,816,060
First Union National Bank, As Trustee, Dated August 15, 1997 9 1/4% Senior Subordinated Notes Due 2007	103,949,000
The Chase Manhattan Bank As Administrative Agent, Credit Agreement Dated July 16, 1998 Commitment \$400,000,000	
Term Facility Utilization	150,000,000
Revolver Utilization	20,000,000
Incremental Facility Utilization	100,000,000

Schedule 7.01 to Credit Agreement

DESCRIPTION ----- (By Maker and Holder)	PRINCIPAL BALANCES 4/30/99 -----
LAMAR ADVERTISING OF PENN, INC	
D. C. Nokes, Jr	1,600,000
LAMAR ADVERTISING OF WEST VIRGINIA, INC	
Tom Susman	76,000
Carol Susman	4.000

Schedule 7.01 to Credit Agreement

## Schedule 7.03(a)(iii)

## Existing Guarantees

ITEM  
-----DESCRIPTION  
-----

Leases and Advertising Contracts

Site and Operating Leases and  
Advertising Sales Contracts  
executed by the Company and its  
Subsidiaries in the ordinary course  
of its operations of former  
Subsidiaries and former Affiliates.

Schedule 7.03 to Credit Agreement

## Schedule 7.07

## Certain Existing Affiliate Transactions

Sign Acquisition Corporation acquired all of the issued and outstanding stock of Interstate Highway Sign Corp., which company makes aluminum sign faces purchased by Subsidiaries of Interstate Logos, Inc., a Subsidiary of Borrower. Seventy-six and 8/10ths (76.8%) percent of the stock of Sign Acquisition Corporation is held by Kevin P. Reilly, Jr. as voting trustee. Kevin P. Reilly, Jr. is the general partner of the Reilly Family Limited Partnership, which partnership owns voting control of Holdings. Holdings owns all of the issued and outstanding stock of Borrower.

Schedule 7.08 to Credit Agreement

Schedule 7.08

Existing Restrictions

1. Restrictions contained in the Missouri Logos, a General Partnership, Partnership Agreement.
2. Restrictions contained in Small Business Administration Loan Documents.

Schedule 7.08 to Credit Agreement

STOCKHOLDERS AGREEMENT

BY AND AMONG

LAMAR ADVERTISING COMPANY

AND

SIGNATORIES LISTED HEREIN

-----  
Dated as of September 15, 1999  
-----

## TABLE OF CONTENTS

	PAGE
Article 1	DEFINITIONS.....1
Section 1.1	Definitions.....1
Section 1.2	Rules of Construction.....4
Article 2	MANAGEMENT OF THE COMPANY AND CERTAIN ACTIVITIES.....4
Section 2.1	Board of Directors.....4
2.1.1	Board Representation.....4
2.1.2	Vacancies.....4
2.1.3	Committee Representation.....5
2.1.4	Costs and Expenses.....5
2.1.5	Other Activities of the Holders; Fiduciary Duties.....5
Article 3	CHANCELLOR LOCK-UP.....5
Section 3.1	Lock-Up Agreement.....5
Article 4	CERTAIN LIMITATIONS.....6
Section 4.1	Transactions with Affiliates.....6
Section 4.2	Other Significant Transactions.....6
Article 5	LEGENDS.....7
Section 5.1	Restrictive Legends.....7
5.1.1	Securities Act Legend.....7
5.1.2	Other Legends.....7
Section 5.2	Termination of Certain Restrictions.....7
Article 6	TERMINATION.....8
Section 6.1	Termination.....8
Article 7	MISCELLANEOUS.....8
Section 7.1	Financial Statements.....8
Section 7.2	Notices.....9
Section 7.3	Voting of Holders.....9
Section 7.4	Governing Law.....10
Section 7.5	Successors and Assigns.....10
Section 7.6	Duplicate Originals.....10

TABLE OF CONTENTS  
(continued)

	Page
Section 7.7 Severability.....	10
Section 7.8 No Waivers; Amendments.....	10
Section 7.9 Entire Agreement.....	10

## STOCKHOLDERS AGREEMENT

THIS STOCKHOLDERS AGREEMENT (this "Stockholders Agreement") dated as of September 15, 1999, is entered into by and among Lamar Advertising Company, a Delaware corporation (including its successors, the "Company"), and the securityholders of the Company listed on the signature pages hereof, or who may execute counterpart signature pages hereto following the date hereof.

In consideration of the premises, mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

## ARTICLE 1

## DEFINITIONS

## SECTION 1.1 DEFINITIONS.

"AFFILIATE" means, with respect to any Person, any Person who, directly or indirectly, controls, is controlled by or is under common control with that Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"BENEFICIALLY OWN" OR "BENEFICIAL OWNERSHIP" means beneficial ownership determined in accordance with Rule 13d-3 promulgated under the Exchange Act.

"CHANCELLOR LA" means Chancellor Media Corporation of Los Angeles, a Delaware corporation.

"CHANCELLOR DESIGNEE" shall have the meaning provided in Section 2.1.1(a) hereof.

"CHANCELLOR HOLDERS" means, collectively, Chancellor LA, Chancellor Mezzanine and any Affiliates of Chancellor LA or Chancellor Mezzanine who then are parties to this Stockholders Agreement and who own any Common Stock or Common Stock Equivalents or any interest therein.

"CHANCELLOR MEZZANINE" means Chancellor Mezzanine Holdings Corporation, a Delaware corporation.

"CHANGE OF CONTROL" means the occurrence of one or more of the following events: (i) a majority of the Board of Directors of the Company shall consist of Persons who are not Continuing Directors, or (ii) the failure by Reilly and the Chancellor Holders collectively to Beneficially Own securities

having more than 50% of the ordinary voting power for the election of directors of the Company.

"CLASS A COMMON STOCK" means shares of the Class A Common Stock, par value \$.001 per share, of the Company, and any capital stock into which such Class A Common Stock hereafter may be changed.

"CLASS B COMMON STOCK" means shares of the Class B Common Stock, par value \$.001 per share, of the Company, and any capital stock, other than Class A Common Stock, into which such Class B Common Stock hereafter may be changed.

"COMMON STOCK" means, collectively, the Class A Common Stock and the Class B Common Stock.

"COMMON STOCK EQUIVALENTS" means, without duplication with any other Common Stock or Common Stock Equivalents, any security of the Company which is convertible into, exercisable for or exchangeable for, directly or indirectly, Common Stock of the Company, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"COMPANY" shall have the meaning provided in the introductory paragraph hereof.

"CONTINUING DIRECTOR " means, as of the date of determination, any Person who (i) is a Chancellor Designee, (ii) was a member of the Board of Directors of the Company as of the date hereof, (iii) was nominated for election or elected to the Board of Directors of the Company with the affirmative vote of a majority of the Continuing Directors who were members of the Board of Directors of the Company at the time of such nomination or election or (iv) is a representative of Reilly or an Affiliate of Reilly.

"EBITDA" shall have the meaning provided in Section 7.1 hereof.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the SEC thereunder.

"FULLY-DILUTED COMMON STOCK" means, at any time, the then outstanding Common Stock of the Company plus (without duplication) all shares of Common Stock issuable, whether at such time or upon the passage of time or the occurrence of future events, upon the conversion or exchange of all then outstanding Common Stock Equivalents.

"GAAP" means generally accepted accounting principles.

"GROUP" means a group of related persons for purposes of Section 13(d) of the Exchange Act.

"HOLDER" means (i) any Person (other than the Company) listed on the signature pages hereof as of the date of this Stockholders Agreement and (ii) any direct or indirect transferee of any such Person who elects to become a party to this Stockholders Agreement by executing and delivering a counterpart signature page hereto.

"MAJORITY CHANCELLOR HOLDERS" means Chancellor Holders owning Common Stock and/or Common Stock Equivalents representing a majority of the Fully-Diluted Common Stock then owned by all Chancellor Holders.

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

"PURCHASE AGREEMENT" means the Second Amended and Restated Stock Purchase Agreement, date as of August 11, 1999, by and among the Company, Lamar Media Corp., a Delaware corporation and wholly-owned subsidiary of the Company (formerly known as Lamar Advertising Company), Chancellor Mezzanine and Chancellor LA.

"REILLY" means, collectively, the Reilly Family Limited Partnership, a Louisiana limited partnership ("RFLP"), and any Affiliates of RFLP (other than the Company and any of its Subsidiaries) who then are parties to this Stockholders Agreement and who own any Common Stock or Common Stock Equivalents or any interest therein.

"SEC" means the U. S. Securities and Exchange Commission.

"SECURITIES ACT" means the Securities Act of 1933, as amended, and the rules and regulations promulgated by the SEC thereunder.

"STOCKHOLDERS AGREEMENT" means this Stockholders Agreement, as such from time to time may be amended.

"SUBSIDIARY" of any Person means (i) a corporation a majority of whose outstanding shares of capital stock or other equity interests with voting power, under ordinary circumstances, to elect directors, is at the time, directly or indirectly, owned by such Person, by one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person, and (ii) any other Person (other than a corporation) in which such Person, a subsidiary of such Person or such Person and one or more subsidiaries of such Person, directly or indirectly, at the date of determination thereof, has (x) at least a majority ownership interest or (y) the power to elect or direct the election of the directors or other governing body of such Person.

SECTION 1.2 RULES OF CONSTRUCTION. Unless the context otherwise requires

- (1) a term has the meaning assigned to it;
- (2) "or" is not exclusive;
- (3) words in the singular include the plural, and words in the plural include the singular;
- (4) provisions apply to successive events and transactions; and
- (5) "herein," "hereof" and other words of similar import refer to this Stockholders Agreement as a whole and not to any particular Article, Section or other subdivision.

## ARTICLE 2

### MANAGEMENT OF THE COMPANY AND CERTAIN ACTIVITIES

#### SECTION 2.1 BOARD OF DIRECTORS.

##### 2.1.1 Board Representation.

(a) From and following the date hereof, the Board of Directors of the Company shall consist of ten (10) individuals. The Majority Chancellor Holders will be entitled to designate two (2) directors (each a "Chancellor Designee"). The existence of the right, pursuant to this Section 2.1.1(a), on the part of the Majority Chancellor Holders to designate certain directors will in no way limit or impair the right of the Majority Chancellor Holders to vote their shares of capital stock of the Company as they see fit with respect to the election of persons to fill seats on the Board of Directors other than the seats filled as a result of the designation rights under this Section 2.1.1(a).

(b) The Company, from time to time at each appropriate time, will cause each of the persons theretofore serving as Chancellor Designees (or other persons designated by the Majority Chancellor Holders as new Chancellor Designees in replacement of such persons) to be nominated and recommended by the Board of Directors of the Company for reelection to the Board of Directors of the Company by the stockholders of the Company upon any expiration of their respective terms of office.

2.1.2 Vacancies. If, prior to his election to the Board of Directors of the Company pursuant to Section 2.1.1 hereof, any Chancellor Designee shall be unable or unwilling to serve as a director of the Company, then the Majority Chancellor Holders shall be entitled to designate a replacement Chancellor Designee. If, following an election to the Board of Directors of the Company pursuant to Section 2.1.1 hereof, any Chancellor Designee shall resign or be removed or be unable to serve for any reason prior to the expiration of his term as a director of the Company, then the Majority Chancellor Holders shall, within thirty (30) days of such event, notify the Board of Directors of the Company in writing of a replacement Chancellor Designee, and the Board of Directors

shall appoint such replacement Chancellor Designee to fill the unexpired term of the director who such new Chancellor Designee is replacing. If the Majority Chancellor Holders request that any Chancellor Designee be removed as a director (with or without cause) by written notice thereof to the Company, then each of the Holders shall vote all of its or his capital stock in favor of such removal upon such request.

2.1.3 Committee Representation. So long as the Chancellor Holders are entitled to designate any director under Section 2.1.1, at least one (1) of the Chancellor Designees shall be permitted to serve on each committee of the Board of Directors of the Company (provided that, if such committee has eligibility requirements that are imposed by a Person other than the Company, such as independence requirements for the independent committee of the Board of Directors of the Company, such designee meets those requirements). Notwithstanding the foregoing, the Executive Committee of the Board of Directors of the Company shall not be required to have a Chancellor Designee serving on such committee so long as (i) the actions of such committee are restricted to the day to day management of the Company in the ordinary course of business and (ii) each of such actions of such committee is not material to the Company and its Subsidiaries, taken as a whole.

2.1.4 Costs and Expenses. The Company will pay all reasonable out-of-pocket expenses incurred by the Chancellor Designees in connection with the participation by directors in meetings of the Board of Directors (and committees thereof) of the Company.

2.1.5 Other Activities of the Holders; Fiduciary Duties. It is understood and accepted that the Holders and their Affiliates have interests in other business ventures which may be in conflict with the activities of the Company and its Subsidiaries and that, subject to applicable law, nothing in this Stockholders Agreement shall limit the current or future business activities of the Holders whether or not such activities are competitive with those of the Company and its Subsidiaries. Nothing in this Stockholders Agreement, express or implied, shall relieve any officer or director of the Company or any of its Subsidiaries, or any Holder, of any fiduciary or other duties or obligations they may have to the Company's stockholders.

### ARTICLE 3

#### CHANCELLOR LOCK-UP

SECTION 3.1 LOCK-UP AGREEMENT. Each of Chancellor LA and Chancellor Mezzanine agrees that, until that date that is twelve (12) months following the date hereof, such entity will not sell or otherwise transfer any of the shares of Common Stock acquired pursuant to the Purchase Agreement, or any interest therein; provided, however, that this Section 3.1 shall not prohibit the transfer of any such shares (or any interest therein) (i) to any Affiliate of Chancellor LA or Chancellor Mezzanine in compliance with the other provisions of this Stockholders Agreement, (ii) in a transaction approved by the Board of Directors of the Company or (iii) pursuant to a bona fide pledge of such

shares to a lender or in connection with a foreclosure (or similar proceeding or remedy) effected with respect to any such pledge.

#### ARTICLE 4

##### CERTAIN LIMITATIONS

SECTION 4.1 TRANSACTIONS WITH AFFILIATES. The Company will not, nor will it permit any of its Subsidiaries to, directly or indirectly, enter into or engage in any transaction with or for the benefit of any of its Affiliates (other than transactions between the Company and a wholly owned Subsidiary of the Company or among wholly owned Subsidiaries of the Company), except for any such transaction which (i) has been approved in advance in writing by the Majority Chancellor Holders or (ii) is on terms no less favorable than those that might reasonably have been obtained in a comparable transaction on an arm's-length basis from a person that is not an Affiliate. With respect to the requirement set forth in clause (ii) of the immediately preceding sentence, for a transaction or series of related transactions involving a value of \$1,000,000 or more, such determination will be made in good faith by a majority of the members of the Board of Directors of the Company and a majority of the disinterested members of the Board of Directors of the Company, and for a transaction or series of transactions involving a value of \$5,000,000 or more, the Board of Directors of the Company must receive an opinion from a nationally recognized investment banking firm that such transaction is (or that such series of transactions are) fair, from a financial point of view, to the Company or such Subsidiary, as applicable. Notwithstanding the foregoing, the restrictions set forth in this Section 4.1 shall not apply to reasonable and customary directors' fees, reasonable and customary directors' or officers' indemnification arrangements, or reasonable and customary compensatory arrangements with officers of the Company.

SECTION 4.2 OTHER SIGNIFICANT TRANSACTIONS. Subject to the provisions set forth in this Section 4.2, without the prior written approval of the Majority Chancellor Holders, neither the Company nor any of the Holders will take any action which would result in (and the Company will not permit any of its Subsidiaries to take any action which would result in) (i) a Change of Control or (ii) the acquisition or disposition by the Company and/or any of its Subsidiaries, in a single transaction or a series of related transactions, of assets (which shall include, without limitation, capital stock or other equity interests in any Person) with an aggregate fair market value of \$500,000,000 or more. Notwithstanding the foregoing, the restrictions set forth in this Section 4.2 shall not apply to (a) any transaction pursuant to which all Persons who owned Common Stock immediately prior to such transaction cease to own any equity interest in the Company or, if applicable, in the entity that is the successor to the Company as a result of such transaction, (b) any merger in which all Persons who owned Common Stock immediately prior to such merger are permitted to exercise statutory appraisal rights, or (c) any sale of substantially all of the assets of the Company to a Person that is not an Affiliate of the Company if the net proceeds of such sale are promptly distributed to the holders of Common Stock.

## ARTICLE 5

## LEGENDS

## SECTION 5.1 RESTRICTIVE LEGENDS.

5.1.1 Securities Act Legend. Except as otherwise provided in Section 5.2 hereof, each certificate evidencing shares of Common Stock issued on or after the date hereof to a Holder or to a subsequent transferee of such Holder, shall be stamped or otherwise imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR PURSUANT TO THE SECURITIES OR "BLUE SKY" LAWS OF ANY STATE. SUCH SECURITIES MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE ASSIGNED, EXCEPT PURSUANT TO (i) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES WHICH IS EFFECTIVE UNDER SUCH ACT, (ii) RULE 144 UNDER SUCH ACT, OR (iii) ANY OTHER EXEMPTION FROM REGISTRATION UNDER SUCH ACT.

5.1.2 Other Legends. Each certificate evidencing shares of Common Stock or Common Stock Equivalents, where applicable, issued on or after the date hereof to a Holder or a subsequent transferee of such Holder shall be stamped or otherwise imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER, VOTING AND OTHER TERMS AND CONDITIONS SET FORTH IN THE STOCKHOLDERS AGREEMENT DATED AS OF SEPTEMBER 15, 1999, A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.

SECTION 5.2 TERMINATION OF CERTAIN RESTRICTIONS. Notwithstanding the foregoing provisions of this Article 5, the legend requirements of Section 5.1.1 shall terminate as to any Common Stock (i) when and so long as such Common Stock shall have been effectively registered under the Securities Act and disposed of pursuant thereto or (ii) when the Company shall have received an opinion of counsel reasonably satisfactory to it that such Common Stock may be transferred without registration thereof under the Securities Act and that such legend may be removed. Whenever the restrictions imposed by Section 5.1.1 shall terminate as to any Common Stock, the Holder thereof shall be entitled to receive from the Company, at the Company's expense, a new certificate evidencing such shares of Common Stock not bearing the restrictive legend set forth in Section 5.1.1.

## ARTICLE 6

## TERMINATION

SECTION 6.1 TERMINATION. The provisions of this Stockholders Agreement shall terminate on the earlier of (i) the date that is ten (10) years following the date of this Stockholders Agreement and (ii) such date that the Chancellor Holders collectively no longer Beneficially Own at least ten percent (10%) of the Fully-Diluted Common Stock. Notwithstanding the foregoing, Section 7.1 hereof shall remain in full force and effect for so long as (and only for so long as) the information to be provided to Chancellor LA or Chancellor Mezzanine under such Section 7.1 is necessary for such entity in connection with the preparation of its financial statements.

## ARTICLE 7

## MISCELLANEOUS

SECTION 7.1 FINANCIAL STATEMENTS. The Company shall deliver to Chancellor LA and Chancellor Mezzanine the following, together with management's discussion and analysis of financial condition and results of operations for the relevant fiscal periods, in writing:

(a) as soon as available and in any event within 80 days after the end of each fiscal year of the Company, (i) an audited consolidated balance sheet or equivalent statement of financial position of the Company and its Subsidiaries and the related consolidated statements of income, cash flows, and changes in stockholders' equity for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, and (ii) a statement of earnings before interest, taxes, depreciation and amortization as per the consolidated financial statements of the Company and its Subsidiaries prepared in accordance with GAAP ("EBITDA") for such fiscal year, all presented in accordance with GAAP and reported on as to fairness of presentation, accounting principles and consistency, and otherwise by independent public accountants; and

(b) as soon as available and in any event within 35 days after the end of each calendar quarter of each fiscal year of the Company, (i) an unaudited consolidated balance sheet or equivalent statement of financial position of the Company and its Subsidiaries as of the end of each such calendar quarter, as applicable, and the related consolidated statements of income and cash flows for the portion of the Company's fiscal year ended at the end of each such calendar quarter setting forth in comparative form in the case of such statements of income and cash flows the figures for the corresponding calendar quarter of the previous fiscal year, and (ii) a statement of EBITDA for such calendar quarter, all presented in accordance with GAAP and certified as to fairness of presentation, accounting principles and consistency by an officer of the Company.

SECTION 7.2 NOTICES. Any notices or other communications required or permitted hereunder shall be in writing, and shall be sufficiently given if made by hand delivery, by telex, by telecopier, by registered or certified mail, postage prepaid, return receipt requested, or by overnight courier, addressed as follows (or at such other address as may be substituted by notice given as herein provided):

If to the Company:

Lamar Advertising Company  
5551 Corporate Boulevard  
Baton Rouge, Louisiana 70808  
Attention: Keith Istre  
Fax: (225) 923-0658

With copies to:

Jones, Walker, Waechter, Poitevent,  
Carrere & Denegre, L.L.P.  
5th Floor  
Four United Plaza  
8555 United Plaza Boulevard  
Baton Rouge, Louisiana 70809  
Attention: Brad J. Axelrod  
Fax: (225) 231-3336

If to any Holder, at its address listed on the signature pages hereof.

Any notice or communication hereunder shall be deemed to have been given or made as of the date so delivered if personally delivered; when answered back, if telexed; when receipt is acknowledged, if telecopied; five (5) calendar days after mailing if sent by registered or certified mail (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee); and one (1) business day after delivery to a reputable overnight courier service guaranteeing next business day delivery.

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

SECTION 7.3 VOTING OF HOLDERS. Each Holder shall vote his or its shares of Voting Stock at any regular or special meeting of stockholders of the Company or in any written consent executed in lieu of such a meeting of stockholders and shall take all other lawful actions (including using its, his or her commercially reasonable efforts to cause the Board of Directors of the Company to take all such actions) necessary to give effect to the agreements contained in this Stockholders Agreement (including but not limited to the election of the Chancellor Designees) and to ensure that the certificate of incorporation and bylaws of the Company as in effect at any time hereafter do not

conflict in any respect with the provisions of this Stockholders Agreement. In order to effectuate the provisions of this Stockholders Agreement, each Holder hereby agrees that when any action or vote is required to be taken by such Holder pursuant to this Stockholders Agreement, such Holder shall use his commercially reasonable efforts to call, or cause the appropriate officers and directors of the Company to call, a special or annual meeting of stockholders of the Company, as the case may be, or execute or cause to be executed a consent in writing in lieu of any such meetings pursuant to the General Corporation Law of the State of Delaware, as amended from time to time, or any successor statutes.

SECTION 7.4 GOVERNING LAW. THIS STOCKHOLDERS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS. SECTION 7.5 SUCCESSORS AND ASSIGNS. This Stockholders Agreement shall be binding upon the Company, each Holder, and their respective successors and permitted assigns.

SECTION 7.5 SUCCESSORS AND ASSIGNS. This Stockholders Agreement shall be binding upon the Company, each Holder, and their respective successors and permitted assigns.

SECTION 7.6 DUPLICATE ORIGINALS. All parties may sign any number of copies of this Stockholders Agreement. Each signed copy shall be an original, but all of them together shall represent the same agreement.

SECTION 7.7 SEVERABILITY. In case any provision in this Stockholders Agreement shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions shall not in any way be affected or impaired thereby

SECTION 7.8 NO WAIVERS; AMENDMENTS.

7.8.1 No failure or delay on the part of the Company or any Holder in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to the Company or any Holder at law or in equity or otherwise.

7.8.2 Any provision of this Stockholders Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Company, the Holders holding at least a majority of the Fully-Diluted Common Stock held by all Holders and by the Majority Chancellor Holders.

SECTION 7.9 ENTIRE AGREEMENT. This Stockholders Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to such subject matter.

[SIGNATURE PAGES FOLLOW]

LAMAR ADVERTISING COMPANY

By: /s/ Keith Istre

-----  
Name: Keith Istre  
Title: Chief Financial Officer

HOLDERS:

CHANCELLOR MEDIA CORPORATION OF  
LOS ANGELES

By: /s/ W. Schuyler Hansen

-----  
Name: W. Schuyler Hansen  
Title: Sr. Vice President and Chief  
Accounting Officer

Address:

1845 Woodall Rogers Freeway  
Suite 1300  
Dallas, Texas 75201  
Attention: General Counsel  
Fax: (512) 340-7890

With copies to:

Weil, Gotshal & Manges LLP  
100 Crescent Court  
Suite 1300  
Dallas, Texas 75201-6950  
Attention: Michael A. Saslaw  
Fax: (214) 746-7777

and

Latham & Watkins  
1001 Pennsylvania Avenue, N.W.  
Suite 1300  
Washington, D.C. 20004-2502  
Attention: Eric L. Bernthal  
Fax: (202) 637-2201

CHANCELLOR MEZZANINE HOLDINGS  
CORPORATIONBy: /s/ W. Schuyler Hansen  
-----Name: W. Schuyler Hansen  
Title: Sr. Vice President and Chief  
Accounting Officer

## Address:

1845 Woodall Rogers Freeway  
Suite 1300  
Dallas, Texas 75201  
Attention: General Counsel  
Fax: (512) 340-7890

## With copies to:

Weil, Gotshal & Manges LLP  
100 Crescent Court  
Suite 1300  
Dallas, Texas 75201-6950  
Attention: Michael A. Saslaw  
Fax: (214) 746-7777

and

Latham & Watkins  
1001 Pennsylvania Avenue, N.W.  
Suite 1300  
Washington, D.C. 20004-2502  
Attention: Eric L. Bernthal  
Fax: (202) 637-2201

REILLY FAMILY LIMITED PARTNERSHIP

By: /s/ Kevin P. Reilly, Jr.

-----  
Name Kevin P. Reilly, Jr.  
Title: General Partner

Address:

c/o Lamar Advertising Company  
5551 Corporate Boulevard  
Baton Rouge, Louisiana 70808  
Attention: Kevin P. Reilly, Jr.  
Fax: (225) 923-0658

## REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT dated as of September 15, 1999 (this "Agreement"), among Lamar Advertising Company, a Delaware corporation (the "Issuer"), Chancellor Media Corporation of Los Angeles, a Delaware Corporation ("Chancellor LA"), and Chancellor Mezzanine Holdings Corporation, a Delaware corporation ("Chancellor Mezzanine").

WHEREAS, this Agreement is being entered into in connection with the closing of the transactions contemplated by the Purchase Agreement referred to below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

## ARTICLE 1

## DEFINITIONS

SECTION 1.1 Definitions. The following terms, as used herein, shall have the following respective meanings:

"Commission" means the Securities and Exchange Commission or any successor governmental body or agency.

"Common Stock" means the Class A Common Stock, par value \$0.001 per share, of the Issuer and any capital stock into which such Common Stock thereafter may be changed.

"Demand Registration" has the meaning ascribed thereto in Section 2.2(a).

"Demand Request" has the meaning ascribed thereto in Section 2.2(a).

"Disadvantageous Condition" has the meaning ascribed thereto in Section 2.4.

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

"Excluded Registration" means a registration under the Securities Act of (i) securities pursuant to one or more Demand Registrations pursuant to Section 2.2 hereof, (ii) securities registered on Form S-8 under the Securities Act or any similar successor form and (iii) securities registered to effect the acquisition of or combination with another business entity.

"Holder" means (i) Chancellor LA, (ii) Chancellor Mezzanine and (iii) any direct or indirect transferee of Chancellor LA or Chancellor Mezzanine who shall agree to be bound by the terms of this Agreement.

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

"Piggyback Registration" has the meaning ascribed thereto in Section 2.3(a).

"Purchase Agreement" means the Second Amended and Restated Stock Purchase Agreement dated as of August 11, 1999, among the Issuer, Lamar Media Corp., a Delaware corporation and wholly-owned subsidiary of the Issuer (formerly known as Lamar Advertising Company), Chancellor LA and Chancellor Mezzanine.

"Registrable Securities" means, at any time, any shares of Common Stock owned by the Holders, whether owned on the date hereof or acquired hereafter; provided, however, that Registrable Securities shall not include any shares of Common Stock (i) the sale of which has been registered pursuant to the Securities Act and which shares have been sold pursuant to such registration or (ii) which have been sold pursuant to Rule 144 of the Commission under the Securities Act.

"Registration Expenses" means any and all expenses incident to performance of or compliance with any registration of securities pursuant to Article 2, including, without limitation, (i) all registration and filing fees, (ii) all fees and expenses associated with filings required to be made with the NASD (including, if applicable, the fees and expenses of any "qualified independent underwriter" as such term is defined in Rule 2720(b)(15) of the NASD Conduct Rules, and of its counsel), as may be required by the rules and regulations of the NASD, (iii) fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Shares), (iv) rating agency fees, (v) printing expenses (including expenses of printing certificates for the Registrable Shares in a form eligible for deposit with The Depository Trust Company and of printing prospectuses if the printing of prospectuses is requested by a holder of Registrable Shares), (vi) messenger and delivery expenses, (vii) the Issuer's internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (viii) the fees and expenses incurred in connection with any listing of the Registrable Shares, (ix) fees and expenses of counsel for the Issuer and its independent certified public accountants (including the expenses of any special audit or "cold comfort" letters required by or incident to such performance), (x) Securities Act liability insurance (if the Issuer elects to obtain such insurance), (xi) the fees and expenses of any special experts retained by the Issuer in connection with such registration, (xii) the fees and expenses of other persons retained by the Issuer and (xiii) reasonable fees and expenses of one firm of counsel for the Selling Holders (which shall be selected by the Holders of a majority of the Registrable Securities being included in any particular registration statement).

"Required Shelf Registration" has the meaning ascribed thereto in Section 2.1.

"Rule 144" means Rule 144 (or any successor rule to similar effect) promulgated under the Securities Act.

"Rule 145" means Rule 145 (or any successor rule to similar effect) promulgated under the Securities Act.

"Rule 415 Offering" means an offering on a delayed or continuous basis pursuant to Rule 415 (or any successor rule to similar effect) promulgated under the Securities Act.

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

"Seller Affiliates" has the meaning ascribed thereto in Section 2.8.

"Selling Holder" means any Holder who sells Registrable Securities pursuant to a public offering registered hereunder.

"Shelf Registration" means the registration under the Securities Act of a Rule 415 Offering.

"Shelf Registration Statement" means a registration statement intended to effect a Shelf Registration.

"Shelf Termination Date" has the meaning ascribed thereto in Section 2.1(c).

SECTION 1.2 Internal References. Unless the context indicates otherwise, references to Articles, Sections and paragraphs shall refer to the corresponding articles, sections and paragraphs in this Agreement, and references to the parties shall mean the parties to this Agreement.

## ARTICLE 2

### REGISTRATION RIGHTS

SECTION 2.1 Shelf Registration. At any time after the date that is ten months from the date hereof, if requested by a Holder or Holders holding a majority in interest of the Registrable Securities, as soon as practicable (but in any event not more than 15 days) after such request, the Issuer shall prepare and file with the Commission a Shelf Registration Statement on an appropriate form that shall include all Registrable Securities, and which shall not include any other securities (the "Required Shelf Registration"). The Issuer shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective as soon as practicable after such request; provided, however, that the Issuer shall have no obligation to cause such Shelf Registration Statement to be declared effective on a date that is prior to the first anniversary of this Agreement. Notwithstanding anything else contained in this Agreement, the Issuer shall only be obligated to keep such Shelf Registration Statement effective until the earliest of:

(a) (i) 12 months after the date such Shelf Registration Statement has been declared effective, provided that such 12-month period shall be extended by (1) the length of any period during which the Issuer delays in maintaining the Shelf Registration Statement current pursuant to Section 2.4, (2) the length of any period (in which such Shelf Registration Statement is required to be effective hereunder) during which such Shelf Registration Statement is not maintained effective, and (3) such number of days that equals the number of days elapsing from (x) the date the written notice contemplated by Section 2.6(e) below is given by the Issuer to (y) the date on which the Issuer delivers to the Holders of Registrable Securities the supplement or amendment contemplated by Section 2.6(e) below;

(b) such time as all Registrable Securities have been sold or disposed of thereunder or sold, transferred or otherwise disposed of to a Person that is not a Holder; and

(c) such time as all securities owned by the Holders have ceased to be Registrable Securities (the earliest of (a), (b) and (c) being the "Shelf Termination Date").

The Required Shelf Registration shall not be counted as a Demand Registration for purposes of Section 2.2 of this Agreement.

#### SECTION 2.2 Demand Registration.

(a) At any time after the date that is ten months from the date hereof, upon written notice to the Issuer from a Holder or Holders holding a majority in interest of the Registrable Securities (a "Demand Request") requesting that the Issuer effect the registration under the Securities Act of any or all of the Registrable Securities held by such requesting Holders, which notice shall specify the intended method or methods of disposition of such Registrable Securities, the Issuer shall prepare as soon as practicable and, within 15 days after such request, file with the Commission a registration statement with respect to such Registrable Securities and thereafter use its reasonable best efforts to cause such registration statement to be declared effective under the Securities Act for purposes of dispositions in accordance with the intended method or methods of disposition stated in such request within 30 days after the filing of such registration statement; provided, however, that the Issuer shall have no obligation to (i) cause such registration statement filed pursuant to this Section 2.2 to be declared effective on a date that is prior to the first anniversary of this Agreement or (ii) cause such registration statement filed pursuant to this Section 2.2 to be declared effective during any period during which a Shelf Registration Statement filed pursuant to Section 2.1 remains effective. Notwithstanding any other provision of this Agreement to the contrary:

(i) the Holders may collectively exercise their Demand Request rights for registration of their Registrable Securities under this Section 2.2(a) on not more than three occasions (any such registration being referred to herein as a "Demand Registration");

(ii) the method of disposition requested by Holders in connection with any Demand Registration may not, without the Issuer's written consent, be a Rule 415 Offering;

(iii) the Issuer shall not be required to effect a Demand Registration hereunder if all securities owned by the Holders have ceased to be Registrable Securities; and

(iv) the Issuer shall not be required to effect more than one Demand Registration during any 12 month period.

(b) Notwithstanding any other provision of this Agreement to the contrary, a Demand Registration requested by Holders pursuant to this Section 2.2 shall not be deemed to have been effected, and, therefore, not requested and the rights of each Holder shall be deemed not to have been exercised for purposes of paragraph (a) above, (i) if such Demand Registration has not become effective under the Securities Act or (ii) if such Demand Registration, after it became effective under the Securities Act, was not maintained effective under the Securities Act (including, without limitation, if it was interfered with by any stop order, injunctions or other

order or requirement the Commission or other governmental agency or court) for at least 30 days (or such shorter period ending when all the Registrable Securities covered thereby have been disposed of pursuant thereto) and, as a result thereof, the Registrable Securities requested to be registered cannot be distributed in accordance with the plan of distribution set forth in the related registration statement. The Holders shall be deemed not to have exercised a Demand Request under Section 2.2 if the Demand Registration related to such Demand Request is delayed or not effected in the circumstances set forth in this clause (b).

(c) The Issuer shall have the right to cause the registration of additional shares of Common Stock for sale for the account of the Issuer, but not for the account of any other Person, in the registration of Registrable Securities requested by the Holders pursuant to Section 2.2(a) above, provided, that if such Holders are advised by the lead or managing underwriter referred to in Section 2.2(e) that, in such underwriter's good faith view, all or a part of such Registrable Securities and additional shares of Common Stock cannot be sold or the inclusion of such Registrable Securities and additional shares of Common Stock in such registration would be likely to have a material adverse effect on the price, timing or distribution of the offering and sale of the Registrable Securities and additional equity securities then contemplated, then the number of securities that can, in the good faith view of such underwriter, be sold in such offering without so materially adversely affecting such offering shall be allocated first, pro rata among the requesting Holders on the basis of the relative number requested to be included therein by each such Holder and then second, to the Issuer. The Holders of the Registrable Securities to be offered pursuant to paragraph (a) above may require that any such additional equity securities be included by the Issuer in the offering proposed by such Holders on the same conditions as the Registrable Securities that are included therein. If, in the case of any registration pursuant to a Demand Request, the Holders making such Demand Request are advised by the lead or managing underwriter referred to in Section 2.2(e) that, in such underwriter's good faith view, all or a part of such Registrable Securities cannot be sold or the inclusion of such Registrable Securities in such registration would be likely to have a material adverse effect on the price, timing or distribution of the offering and sale of the Registrable Securities then contemplated, then such Holders will have the right, within 15 days following such advice from such underwriter, to elect to terminate such Demand Request, in which case the Holders shall be deemed not to have exercised a Demand Request pursuant to Section 2.2 hereof.

(d) Within 10 days after delivery of a Demand Request by a Holder, the Issuer shall provide a written notice to each Holder, advising such Holder of its right to include any or all of the Registrable Securities held by such Holder for sale pursuant to the Demand Registration and advising such Holder of procedures to enable such Holder to elect to so include Registrable Securities for sale in the Demand Registration as each such Holder may request. Any Holder may, within 20 days of delivery to such Holder of a notice pursuant to this Section 2.2(d), elect to so include such portion of its Registrable Securities in the Demand Registration by written notice to such effect to the Issuer specifying the number of Registrable Securities desired to be so included by such Holder.

(e) In the event that any public offering pursuant to either Section 2.1 or 2.2 of this Agreement shall involve, in whole or in part, an underwritten offering, the Holders of a majority of the Registrable Securities being included in such underwritten offering shall have the right to designate an underwriter or underwriters as the lead or managing underwriters of such

underwritten offering; provided, that such selection shall be subject to the consent of the Issuer, which consent shall not be unreasonably withheld or delayed.

### SECTION 2.3 Piggyback Registrations.

(a) Each time the Issuer proposes to register any of its equity securities (other than pursuant to an Excluded Registration) under the Securities Act for sale to the public (whether for the account of the Issuer or the account of any securityholder of the Issuer ) and the form of registration statement to be used permits the registration of Registrable Securities, the Issuer shall give prompt written notice to each Holder (which notice shall be given not less than thirty (30) days prior to the effective date of the Issuer's registration statement), which notice shall offer each such Holder the opportunity to include any or all of its Registrable Securities in such registration statement (a "Piggyback Registration"), subject to the limitations contained in Section 2.3(b) below. Each Holder who desires to have its Registrable Securities included in such registration statement shall so advise the Issuer in writing (stating the number of Registrable Securities desired to be registered) within 20 days after the date of such notice from the Issuer. Any Holder shall have the right to withdraw such Holder's request for inclusion of such Holder's Registrable Securities in any registration statement pursuant to this Section 2.3 by giving written notice to the Issuer of such withdrawal. Subject to Section 2.3(b) below, the Issuer shall include in such registration statement all such Registrable Securities so requested to be included therein; provided, however, that the Issuer may at any time withdraw or cease proceeding with any such registration if it shall at the same time withdraw or cease proceeding with the registration of all other equity securities originally proposed to be registered.

(b) If the managing underwriter of an offering involving a request for Piggyback Registration advises the Issuer in writing (with a copy to the Holders requesting inclusion of their Registrable Securities) that, in such underwriter's good faith view, the inclusion of any Registrable Securities pursuant to Section 2.3(a) above would be likely to have a material adverse effect on the price, timing or distribution of such offering, then (i) the number of such Holder's or Holders' Registrable Securities to be included in the registration statement for such offering may, subject to the provisions of the immediately following sentence, be reduced to an amount which, in the judgment of the managing underwriter, would no longer be likely to have a material adverse effect on the price, timing or distribution of such offering or (ii) if no such reduction would, in the judgment of the managing underwriter, eliminate such likelihood of a material adverse effect on the price, timing or distribution of such offering, then the Issuer may, subject to the provisions of the immediately following sentence, exclude all such Registrable Securities from such registration statement. Any reduction in the number of Registrable Securities to be included in the registration statement for such offering pursuant to the immediately preceding sentence shall be effected by the inclusion in such registration statement of (A) first, (p) if such registration was initiated by the Issuer for the sale of securities for its own account, any and all securities for sale by the Issuer or (q) if such registration was initiated by any other Person pursuant to the exercise of demand registration rights, any and all securities for sale by such Person pursuant to such exercise of demand registration rights, (B) second, any Registrable Shares requested to be included in such registration, pro rata based on the ratio which such Holder's requested Registrable Securities bears to the total number of Registrable Securities requested to be included in such registration statement by all Holders who have requested that their Registrable Securities be included in such registration statement, and (C) third, pro rata

among any other securities requested to be included in such registration by other Persons pursuant to the exercise of contractual registration rights granted by the Issuer. If as a result of the provisions of this Section 2.3(b) any Holder shall not be entitled to include all Registrable Securities in a registration that such Holder has requested to be so included, such Holder may withdraw such Holder's request to include any Registrable Securities in such registration statement. No Holder may participate in any registration statement hereunder unless such Holder (x) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Issuer relating to such registration statement and (y) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, and other documents reasonably required under the terms of such underwriting arrangements; provided, however, that no such Holder shall be required to make any representations or warranties in connection with any such registration other than representations and warranties as to (1) such Holder's ownership of its Registrable Securities to be transferred free and clear of all liens, claims, and encumbrances, (2) such Holder's power and authority to effect such transfer, and (3) such matters pertaining to compliance with securities laws as may be reasonably requested; provided further, however, that the obligation of such Holder to indemnify pursuant to any such underwriting arrangements shall be several, not joint and several, among such Holders selling Registrable Securities, and the liability of each such Holder will be in proportion thereto, and provided further that such liability will be limited to the net amount received by such Holder from the sale of its Registrable Securities pursuant to such registration statement.

SECTION 2.4 Certain Delay Rights. Notwithstanding any other provision of this Agreement to the contrary, if at any time while the Required Shelf Registration is effective the Issuer provides written notice to each Holder that in the good faith and reasonable judgment of the Board of Directors of the Issuer it would be materially disadvantageous to the Issuer (because the sale of Registrable Securities covered by such registration statement or the disclosure of information therein or in any related prospectus or prospectus supplement would materially interfere with any acquisition, financing or other material event or transaction in connection with which a registration of securities under the Securities Act for the account of the Issuer is then intended or the public disclosure of which at the time would be materially prejudicial to the Issuer (a "Disadvantageous Condition")) for sales of Registrable Securities thereunder to then be permitted, and setting forth the general reasons for such judgment, the Issuer may refrain from maintaining current the prospectus contained in the Shelf Registration Statement until such Disadvantageous Condition no longer exists (notice of which the Issuer shall promptly deliver in writing to each Holder). Furthermore, notwithstanding anything else contained in this Agreement, with respect to any registration statement filed, or to be filed, pursuant to Section 2.2 of this Agreement, if the Issuer provides written notice to each Holder that in the good faith and reasonable judgment of the Board of Directors of the Issuer it would be materially disadvantageous to the Issuer (because of a Disadvantageous Condition) for such a registration statement to be maintained effective, or to be filed and become effective, and setting forth the general reasons for such judgment, the Issuer shall be entitled to cause such registration statement to be withdrawn or the effectiveness of such registration statement terminated, or, in the event no registration statement has yet been filed, shall be entitled not to file any such registration statement, until such Disadvantageous Condition no longer exists (notice of which the Issuer shall promptly deliver in writing to each Holder). With respect to each Holder, upon the receipt by such Holder of any such notice of a Disadvantageous Condition (i) in connection with the Required Shelf Registration, such Holder shall forthwith discontinue use of the

prospectus and any prospectus supplement under such registration statement and shall suspend sales of Registrable Securities until such Disadvantageous Condition no longer exists and (ii) in connection with the Required Shelf Registration or the Demand Registration, as applicable, if so directed by the Issuer by notice as aforesaid, such Holder will deliver to the Issuer all copies, other than permanent filed copies then in such Holder's possession, of the prospectus and prospectus supplements then covering such Registrable Securities at the time of receipt of such notice as aforesaid. Notwithstanding anything else contained in this Agreement, (x) neither the filing nor the effectiveness of any registration statement under Section 2.2 of this Agreement may be delayed for more than a total of 60 days pursuant to this Section 2.4 and (y) the maintaining current of a prospectus (and the suspension of sales of Registrable Securities) in connection with the Required Shelf Registration may not be delayed under this Section 2.4 for more than a total of 60 days in any six-month period. If, in the case of any registration pursuant to a Demand Request, the Issuer provides notice to the applicable Holders of a Disadvantageous Condition, then such Holders will have the right, within 15 days following such notice from the Issuer, to elect to terminate such Demand Request, in which case the Holders shall be deemed not to have exercised a Demand Request pursuant to Section 2.2 hereof.

SECTION 2.5 Expenses. Except as provided herein, the Issuer shall pay all Registration Expenses with respect to each registration hereunder, whether or not any registration statement becomes effective. Notwithstanding the foregoing, (i) each Holder and the Issuer shall be responsible for its own internal administrative and similar costs, which shall not constitute Registration Expenses, (ii) each Holder shall be responsible for the legal fees and expenses of its own counsel (except as provided in the definition of Registration Expenses) and (iii) each Holder shall be responsible for all underwriting discounts and commissions, selling or placement agent or broker fees and commissions, and transfer taxes, if any, in connection with the sale of securities by such Holder.

SECTION 2.6 Registration and Qualification. If and whenever the Issuer is required to effect the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Issuer shall as promptly as practicable:

(a) prepare, file and cause to become effective a registration statement under the Securities Act relating to the Registrable Securities to be offered in accordance with the intended method of disposition thereof;

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities (i) in the case of the Required Shelf Registration, until the Shelf Termination Date, (ii) in the case of a Demand Registration or Piggyback Registration, for a period of not less than 180 days (or such shorter period as is necessary for underwriters in an underwritten offering to sell unsold allotments), provided, that such 180-day period shall be extended for such number of days that equals the number of days elapsing from (x) the date the written notice contemplated by paragraph (e) below is given by the Issuer to (y) the date on which the Issuer delivers to the Holders of Registrable Securities the supplement or amendment contemplated by paragraph (e) below;

(c) furnish to the Holders of Registrable Securities and to any underwriter of such Registrable Securities (i) such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), (ii) such number of copies of the prospectus included in such registration statement (including each preliminary prospectus), in conformity with the requirements of the Securities Act, and (iii) such documents incorporated by reference in such registration statement or prospectus, as the Holders of Registrable Securities or such underwriter may reasonably request in order to facilitate the disposition of the Registrable Shares owned by such Holder or the sale of such securities by such underwriter (it being understood that, subject to Section 2.4 of this Agreement and the requirements of the Securities Act and applicable state securities laws, the Issuer consents to the use of the prospectus and any amendment or supplement thereto by each Holder of Registrable Securities and any underwriter of such Registrable Securities in connection with the offering and sale of the Registrable Shares covered by the registration statement of which such prospectus, amendment or supplement is a part);

(d) in the case of any underwritten offering, furnish to each Selling Holder and any underwriter of Registrable Securities an opinion of counsel for the Issuer and a "cold comfort" letter signed by the independent public accountants who have audited the financial statements of the Issuer included in the applicable registration statement, in each such case covering substantially such matters with respect to such registration statement (and the prospectus included therein) and the related offering as are customarily covered in opinions of issuer's counsel with respect thereto and in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other matters as any such Selling Holder or underwriter may reasonably request;

(e) promptly notify each Selling Holder and each underwriter of Registrable Securities in writing (i) at any time when a prospectus relating to a registration pursuant to this Agreement is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) of any request by the Commission or any other regulatory body having jurisdiction for any additional information or amendment or supplement to any registration statement or other document relating to such offering, and in either such case, at the request of any Selling Holder or underwriter, promptly prepare and furnish to each Selling Holder and underwriter a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(f) cause all such Registrable Securities covered by such registration to be listed on each securities exchange and included for quotation on each automated interdealer quotation system on which the Common Stock is then listed or included for quotation;

(g) provide a CUSIP number for the Registrable Shares included in any registration statement not later than the effective date of such registration statement;

(h) cooperate with each Selling Holder and each underwriter participating in the disposition of Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD;

(i) during the period when a prospectus is required to be delivered under the Securities Act, promptly file all documents required to be filed with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act;

(j) prepare and file with the Commission promptly any amendments or supplements to such registration statement or prospectus which, in the opinion of counsel for the Issuer or the managing underwriter, are required in connection with the distribution of the Registrable Securities;

(k) advise each Selling Holder, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of any registration statement or the initiation or threatening of any proceeding for such purpose and promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued;

(l) use reasonable efforts to assist the Holders in the marketing of Common Stock in connection with underwritten offerings hereunder (including using reasonable efforts to have officers of the Issuer attend "road shows" and analyst or investor presentations scheduled in connection with such registration); and

(m) furnish for delivery in connection with the closing of any offering of Registrable Securities pursuant to a registration effected pursuant to this Agreement unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested by the Selling Holders or the underwriters.

#### SECTION 2.7 Underwriting; Due Diligence.

(a) If requested by the underwriters for any underwritten offering of Registrable Securities pursuant to a registration requested under this Article 2, the Issuer shall enter into an underwriting agreement with such underwriters for such offering, which agreement will contain such representations and warranties by the Issuer and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions.

(b) In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act pursuant to this Article 2, the Issuer shall give the Holders of such Registrable Securities and the underwriters, if any, and their respective counsel and accountants, such reasonable and customary access to its books, records and properties and such opportunities to discuss the business and affairs of the Issuer with its officers and the independent public accounts who have certified the financial statements of the Issuer as shall be necessary, in the opinion of such Holders and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act; provided that (i) each Holder and the underwriters and their respective counsel and accountants shall have entered into a confidentiality agreement reasonably acceptable to the

Issuer and (ii) the Holders of such Registrable Securities and the underwriters and their respective counsel and accountants shall use their reasonable best efforts to minimize the disruption to the Issuer's business and coordinate any such investigation of the books, records and properties of the Issuer and any such discussions with the Issuer's officers and accountants so that all such investigations occur at the same time and all such discussions occur at the same time.

#### SECTION 2.8 Indemnification.

(a) The Issuer agrees to indemnify and reimburse, to the fullest extent permitted by law, each Selling Holder, and each of its employees, advisors, agents, representatives, partners, officers, and directors and each Person who controls such seller of Registrable Securities (within the meaning of the Securities Act or the Exchange Act) and any agent or investment advisor thereof (collectively, the "Seller Affiliates") against any and all losses, claims, damages, liabilities, and expenses, joint or several (including, without limitation, reasonable attorneys' fees and disbursements except as limited by Section 2.8(c) below) based upon, arising out of, related to or resulting from any untrue or alleged untrue statement of a material fact contained in any registration statement, prospectus, or preliminary prospectus or any amendment thereof or supplement thereto, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are made in reliance upon and in strict conformity with information furnished in writing to the Issuer by such Selling Holder or any Seller Affiliate for use therein or arise from such Selling Holder's or any Seller Affiliate's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Issuer has furnished such Selling Holder or Seller Affiliate with a sufficient number of copies of the same. The reimbursements required by this Section 2.8(a) will be made by periodic payments during the course of the investigation or defense, as and when bills are received or expenses incurred.

(b) In connection with any registration statement in which a Selling Holder is participating, each such Selling Holder will furnish to the Issuer in writing such information and affidavits as the Issuer reasonably requests for use in connection with any such registration statement or prospectus and, to the fullest extent permitted by law, each such Selling Holder will indemnify the Issuer and its directors and officers and each Person who controls the Issuer (within the meaning of the Securities Act or the Exchange Act) against any and all losses, claims, damages, liabilities, and expenses (including, without limitation, reasonable attorneys' fees and disbursements except as limited by Section 2.8(c) below) resulting from: (i) any untrue statement or alleged untrue statement of a material fact contained in the registration statement, prospectus, or any preliminary prospectus or any amendment thereof or supplement thereto, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission is contained in any information or affidavit so furnished in writing by such Selling Holder or any of its Seller Affiliates specifically for inclusion in the registration statement; or (ii) such Selling Holder's or any Seller Affiliate's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Issuer has furnished such Selling Holder or Seller Affiliate with a sufficient number of copies of the same; provided, that the obligation to indemnify will be

several, not joint and several, among such Selling Holders, and the liability of each such Selling Holder will be in proportion to, and provided further that such liability will be limited to, the net amount received by such Selling Holder from the sale of Registrable Securities pursuant to such registration statement; provided, however, that such Selling Holder shall not be liable in any such case to the extent that, prior to the filing of any such registration statement or prospectus or amendment thereof or supplement thereto, such Selling Holder has furnished in writing to the Issuer information expressly for use in such registration statement or prospectus or any amendment thereof or supplement thereto which corrected or made not misleading information previously furnished to the Issuer.

(c) Any Person entitled to indemnification hereunder will give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give such notice shall not limit the rights of such Person except to the extent such failure prejudiced the indemnifying party) and permit such indemnifying party to assume the defense of such claim; provided, however, that any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (i) the indemnifying party has agreed to pay such fees or expenses, (ii) the indemnifying party shall have failed to assume the defense of such claim or (iii) in the reasonable opinion of counsel to such indemnified party, a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim. If such defense is not assumed by the indemnifying party as permitted hereunder, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld or delayed). If such defense is assumed by the indemnifying party pursuant to the provisions hereof, such indemnifying party shall not settle or otherwise compromise the applicable claim unless (A) such settlement or compromise contains a full and unconditional release of the indemnified party or (B) the indemnified party otherwise consents in writing. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party, a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the reasonable fees and disbursements of such additional counsel or counsels.

(d) Each party hereto agrees that, if for any reason the indemnification provisions contemplated by Section 2.8(a) or Section 2.8(b) are unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities, or expenses (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, liabilities, or expenses (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the actions which resulted in the losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party, and the parties'

relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.8(d) were determined by pro rata allocation (even if the Holders or any underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 2.8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities, or expenses (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or, except as provided in Section 2.8(c) above, defending any such action or claim. Notwithstanding the provisions of this Section 2.8(d), no Holder shall be required to contribute an amount greater than the dollar amount by which the net proceeds received by such Holder with respect to the sale of any Registrable Securities exceeds the amount of damages which such Holder has otherwise been required to pay by reason of such statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this Section 2.8(d) to contribute shall be several in proportion to the amount of Registrable Securities registered by them and not joint.

If indemnification is available under this Section 2.8, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Section 2.8(a) and Section 2.8(b) without regard to the relative fault of said indemnifying party or indemnified party or any other equitable consideration provided for in this Section 2.8(d) subject, in the case of the Holders, to the limited dollar amounts set forth in Section 2.8(b).

The indemnification and contribution provided for under this Agreement shall be in addition to any liability which any party may otherwise have to any other party and shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, or controlling Person of such indemnified party and will survive the transfer of the Common Stock and the termination of this Agreement.

SECTION 2.9 Issuer's Existing Shelf Registration. The Issuer shall use its reasonable best efforts to cause the Issuer's Shelf Registration Statement which was filed by the Issuer prior to the date hereof (the "Existing Shelf Registration Statement") to be amended to contain a provision for the inclusion in such Shelf Registration Statement of shares for sale for the account of stockholders of the Issuer. In the event that the Issuer, after the expiration of the twelve month period immediately following the date hereof, proposes to effect any offering under the Existing Shelf Registration Statement (other than to effect the acquisition of or combination with another business entity), it shall permit each Holder to include its Registrable Securities on substantially the same terms and subject to substantially the same conditions and limitations (including, but not limited to, indemnification provisions) as would be the case in connection with a registration that is the subject of Section 2.3 hereof. The Issuer will promptly file any prospectus supplements as are necessary to reflect the inclusion in any such registration of any Registrable Securities included in such registration by any Holder pursuant to this Section 2.9.

## ARTICLE 3

## MISCELLANEOUS

SECTION 3.1 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

SECTION 3.2 Successors and Assigns. Whether or not an express assignment has been made pursuant to the provisions of this Agreement, provisions of this Agreement that are for the Holders' benefit as the holders of any Common Stock are, except as otherwise expressly provided herein, also for the benefit of, and enforceable by, all subsequent holders of such Common Stock, except as otherwise expressly provided herein. This Agreement shall be binding upon the Issuer, each Holder, and, except as otherwise expressly provided herein, their respective heirs, devisees, successors and assigns.

SECTION 3.3 Duplicate Originals. All parties may sign any number of copies of this Agreement. Each signed copy shall be an original, but all of them together shall represent the same agreement.

SECTION 3.4 Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the Issuer and Holders representing a majority of the Registrable Securities then held by all Holders.

SECTION 3.5 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if given) by hand delivery or telecopy, or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the address or telecopy number set forth on the signature pages hereto (unless such contact information in the case of the Holders is updated by written notice from the affected Holder to the Issuer).

SECTION 3.6 Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

SECTION 3.7 No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a

waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

SECTION 3.8 No Third Party Beneficiaries. Except as expressly provided in Section 2.8; this Agreement is not intended to be for the benefit of, and shall not be enforceable by, any Person who or which is not a party hereto; provided, that, this Agreement is also intended to be for the benefit of and is enforceable by each Holder.

SECTION 3.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

SECTION 3.10 Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

SECTION 3.11 Counterparts. This Agreement may be executed in counterpart, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

[THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Issuer and the Holders have caused this Agreement to be duly executed as of the day and year first above written.

LAMAR ADVERTISING COMPANY

By: /s/ Keith Istre  
-----

Name: Keith Istre  
Title: Chief Financial Officer

Address:

Lamar Advertising Company  
5551 Corporate Boulevard  
Baton Rouge, Louisiana 70808  
Attention: Keith Istre  
Fax: (225) 923-0658

HOLDERS:

CHANCELLOR MEDIA CORPORATION OF  
LOS ANGELES

By: /s/ W. Schuyler Hansen

-----  
Name: W. Schuyler Hansen  
Title: Sr. Vice President and Chief Accounting  
Officer

Address:

1845 Woodall Rodgers Freeway  
Suite 1300  
Dallas, Texas 75201  
Attention: General Counsel  
Fax: (512) 340-7890

CHANCELLOR MEZZANINE HOLDINGS  
CORPORATION

By: /s/ W. Schuyler Hansen

-----  
Name: W. Schuyler Hansen  
Title: Sr. Vice President and Chief Accounting  
Officer

Address:

1845 Woodall Rodgers Freeway  
Suite 1300  
Dallas, Texas 75201  
Attention: General Counsel  
Fax: (512) 340-7890

## ASSUMPTION AGREEMENT

This Assumption Agreement dated as of July 20, 1999 is by and among Lamar Advertising Company, a Delaware corporation ("LAC"), Lamar Media Corp., a Delaware corporation ("LMC"), and the direct and indirect subsidiaries of such corporations (collectively and together with all such subsidiaries as may be formed hereafter, the "Subsidiaries") whose signature lines appear at the end of this Agreement.

## Introduction

LAC has been formed to own 100% of the outstanding equity of LMC, which was formerly known as "Lamar Advertising Company". To facilitate the accounting for certain overhead expenses, the parties hereto wish LAC to assume, and be exclusively liable for, all "Assumed Obligations" as hereinafter defined.

1. Assumption of Assumed Obligations. Effective as of the date hereof, LAC hereby assumes the obligations to pay (i) all directors' fees and fees, costs and expenses in respect of all professional and related services which may be rendered to LMC and the Subsidiaries from time to time, including, without limitation, the fees and expenses of accountants, lawyers, investment bankers and other consultants retained in connection with matters affecting LMC and the Subsidiaries collectively, (ii) all premiums, fees and expenses in connection with all insurance policies and employee benefit programs (including workmen's compensation) maintained on behalf of LMC and any Subsidiary, (iii) all fees, costs and expenses incurred in connection with acquisitions and financings, including, without limitation, banking and underwriting fees (including underwriters discounts) and (iv) all fees, costs and expenses in connection with the purchase by LAC and its Subsidiaries of data communications services (all such obligations being hereinafter referred to collectively as "Assumed Obligations"). Assumed Obligations shall include not only obligations presently due and payable but all such obligations described in the preceding sentence which may become due and payable at any time in the future.

2. Release of LMC and Subsidiaries. Effective as of the date hereof, simultaneously with the assumption by LAC of obligations pursuant to Paragraph 1 hereof, (i) LMC and the Subsidiaries are hereby released from all obligations with respect to the Assumed Obligations and (ii) the parties agree to cause all trade creditors owed Assumed Obligations to invoice LAC exclusively for trade payables with respect thereto, with the understanding that LAC will be the exclusive obligor thereunder.

3. Accounting. Effective as of the date hereof, the parties hereto shall institute accounting controls and procedures necessary to account for the assumption and release provided for in this Agreement.

4. Miscellaneous. This Agreement shall remain in full force and effect until terminated by all of the parties hereto. The parties hereto agree to take such further measures as any party shall deem appropriate to effectuate the provisions of this Agreement. This Agreement shall be governed by the laws of the State of Delaware.

LAMAR ADVERTISING COMPANY

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly Jr.  
Title: President and Chief Executive Officer

LAMAR MEDIA CORP.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly Jr.  
Title: President and Chief Executive Officer

THE SUBSIDIARIES

INTERSTATE LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly Jr.  
Title: Vice President

THE LAMAR CORPORATION

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF MOBILE, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF COLORADO SPRINGS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF SOUTH  
MISSISSIPPI, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF JACKSON, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR TEXAS GENERAL PARTNER, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF SOUTH  
GEORGIA, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

TLC PROPERTIES, INC.

/s/ Kevin P. Reilly

-----  
By: Kevin P. Reilly  
Title:

TLC PROPERTIES II, INC.

/s/ Kevin P. Reilly

-----  
By: Kevin P. Reilly  
Title:

LAMAR PENSACOLA TRANSIT, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF  
YOUNGSTOWN, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

NEBRASKA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

OKLAHOMA LOGO SIGNS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

MISSOURI LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

OHIO LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

UTAH LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

TEXAS LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

MISSISSIPPI LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

GEORGIA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

SOUTH CAROLINA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

VIRGINIA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

MINNESOTA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

MICHIGAN LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

NEW JERSEY LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

FLORIDA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

KENTUCKY LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

NEVADA LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

TENNESSEE LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

KANSAS LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

COLORADO LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

NEW MEXICO LOGOS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: Vice President

LAMAR ADVERTISING OF  
HUNTINGTON-BRIDGEPORT, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF PENN, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF MISSOURI, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF MICHIGAN, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ELECTRICAL, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF SOUTH  
DAKOTA, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF WEST  
VIRGINIA, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF ASHLAND, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

AMERICAN SIGNS, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR OCI NORTH CORPORATION

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR OCI SOUTH CORPORATION

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF  
GREENVILLE, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ROBINSON, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF KENTUCKY, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR ADVERTISING OF ROLAND, INC.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR TEXAS LIMITED PARTNERSHIP

BY: Lamar Texas General Partner, Inc.

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

LAMAR TENNESSEE, L.L.C.

BY: The Lamar Corporation, its Manager

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

AIR, L.L.C.

BY: The Lamar Corporation, its Manager

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.  
Title: President and Chief Executive Officer

TLC PROPERTIES, L.L.C.

BY: TLC Properties, Inc., its Manager

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.

Title:

CANADIAN TODS, LIMITED

/s/ Kevin P. Reilly, Jr.

-----  
By: Kevin P. Reilly, Jr.

Title: President and Chief Executive Officer

5  
1,000

9-MOS  
DEC-31-1999  
JAN-01-1999  
SEP-30-1999  
10,778  
0  
92,904  
8,610  
0  
135,738  
1,410,561  
215,240  
3,230,543  
98,262  
1,593,690  
0  
0  
88  
1,408,183  
3,230,543  
294,102  
294,614  
0  
93,481  
0  
2,114  
57,471  
(18,581)  
(362)  
(18,219)  
0  
(182)  
(767)  
(19,168)  
(.31)  
(.31)

## FACTORS AFFECTING FUTURE OPERATING RESULTS

OUR DEBT AGREEMENTS AND THOSE OF LAMAR MEDIA  
CONTAIN COVENANTS AND RESTRICTIONS THAT CREATE THE  
POTENTIAL FOR DEFAULTS

The terms of the indenture relating to Lamar Advertising's outstanding notes, Lamar Media's bank credit facility and the indentures relating to Lamar Media's outstanding notes restrict, among other things, the ability of Lamar Advertising and Lamar Media to:

- o dispose of assets;
- o incur or repay debt;
- o create liens; and
- o make investments.

Lamar Media's ability to make distributions to Lamar Advertising is also restricted under the terms of these agreements.

Under Lamar Media's bank credit facility we must maintain specified financial ratios and levels including:

- o interest coverage;
- o fixed charges ratio;
- o senior debt ratios; and
- o total debt ratios.

If we fail to comply with these tests, the lenders have the right to cause all amounts outstanding under the bank credit facility to become immediately due. If this were to occur and the lenders decide to exercise their right to accelerate the indebtedness, it would create serious financial problems for us. Our ability to comply with these restrictions, and any similar restrictions in future agreements, depends on our operating performance. Because our performance is subject to prevailing economic, financial and business conditions and other factors that are beyond our control, we may be unable to comply with these restrictions in the future.

BECAUSE WE HAVE SIGNIFICANT FIXED PAYMENTS ON OUR  
DEBT, WE MAY LACK SUFFICIENT CASH FLOW TO OPERATE  
OUR BUSINESS AS WE HAVE IN THE PAST AND MAY NEED  
TO BORROW MONEY IN THE FUTURE TO MAKE THESE  
PAYMENTS AND OPERATE OUR BUSINESS

We have borrowed substantial amounts of money in the past and may borrow more money in the future. At September 30, 1999, Lamar Advertising Company had approximately \$288 million of convertible notes outstanding. At September 30, 1999, Lamar Media had approximately \$1,310 million of debt outstanding to third parties consisting of approximately \$757 million in bank debt, \$529 million in various series of senior subordinated notes of Lamar Media and \$24 million in various other short-term and long-term debt of Lamar Media. The debt of Lamar Advertising and Lamar Media totaling \$1,598 million represents approximately 53% of the Company's total capitalization. In addition, Lamar Media had \$287.5 million in long-term notes payable to Lamar Advertising Company at September 30, 1999.

A large part of our cash flow from operations must be used to make principal and interest payments on our debt. If our operations make less money in the future, we may need to borrow to make these payments. In addition, we finance most of our acquisitions through borrowings under Lamar Media's bank credit facility which presently has a total committed amount of \$1 billion in term and revolving credit loans. At September 30, 1999, we had approximately \$243 million available to borrow under this bank credit facility. Since our borrowing capacity under Lamar Media's bank credit facility is limited, we may not be able to continue to finance future acquisitions at our historical rate with borrowings under this bank credit facility. We may need to borrow additional amounts or seek other sources of financing to fund future acquisitions. We cannot guarantee that such additional financing will be available or available on favorable terms. We also may need the consent of the banks under Lamar Media's bank credit facility, or the holders of other indebtedness, to borrow additional money.

OUR BUSINESS COULD BE HURT BY CHANGES  
IN ECONOMIC AND ADVERTISING TRENDS

We sell advertising space to generate revenues. A decrease in demand for advertising space could



adversely affect our business. General economic conditions and trends in the advertising industry affect the amount of advertising space purchased. A reduction in money spent on our displays could result from:

- o a general decline in economic conditions;
- o a decline in economic conditions in particular markets where we conduct business;
- o a reallocation of advertising expenditures to other available media by significant users of our displays; or
- o a decline in the amount spent on advertising in general.

OUR OPERATIONS ARE IMPACTED BY THE  
REGULATION OF OUTDOOR ADVERTISING

Our operations are significantly impacted by federal, state and local government regulation of the outdoor advertising business.

The federal government conditions federal highway assistance on states imposing location restrictions on the placement of billboards on primary and interstate highways. Federal laws also impose size, spacing and other limitations on billboards. Some states have adopted standards more restrictive than the federal requirements. Local governments generally control billboards as part of their zoning regulations. Some local governments have enacted ordinances which require removal of billboards by a future date. Others prohibit the construction of new billboards and the reconstruction of significantly damaged billboards, or allow new construction only to replace existing structures.

Local laws which mandate removal of billboards at a future date often do not provide for payment to the owner for the loss of structures that are required to be removed. Certain federal and state laws require payment of compensation in such circumstances. Local laws that require the removal of a billboard without compensation have been challenged in state and federal courts with conflicting results. Accordingly, we may not be successful in negotiating acceptable arrangements when our displays have been subject to removal under these types of local laws.

Additional regulations may be imposed on outdoor advertising in the future. Legislation regulating the content of billboard advertisements has been introduced in Congress from time to time in the past. Additional regulations or changes in the current laws regulating and affecting outdoor advertising at the federal, state or local level may have a material adverse effect on our results of operations.

OUR CONTINUED GROWTH THROUGH ACQUISITIONS  
MAY BECOME MORE DIFFICULT AND INVOLVES  
COSTS AND UNCERTAINTIES

We have substantially increased our inventory of advertising displays through acquisitions. Our operating strategy involves making purchases in markets where we currently compete as well as in new markets. However, the following factors may affect our ability to continue to pursue this strategy effectively.

- o The outdoor advertising market has been consolidating, and this may adversely affect our ability to find suitable candidates for purchase.
- o We are also likely to face increased competition from other outdoor advertising companies for the companies or assets we wish to purchase. Increased competition may lead to higher prices for outdoor advertising companies and assets and decrease those we are able to purchase.
- o We do not know if we will have sufficient capital resources to make purchases, obtain any required consents from our lenders, or find acquisition opportunities with acceptable terms.
- o From January 1, 1997 to September 30, 1999, we completed 142 transactions involving the purchase of complementary outdoor advertising assets, including the acquisition on September 15, 1999 of Chancellor Media Outdoor Corporation for a purchase price consisting of \$700 million in cash and a fixed amount of 26,227,273 shares of our Class A common stock and the acquisition on October 1, 1998 of Outdoor Communications, Inc. for \$385 million. We must integrate these and other acquired assets and businesses into our existing operations. This process of integration may result in unforeseen difficulties and could require significant time and attention from our management that would otherwise be directed at developing our existing business. Further, we cannot be certain that the benefits and cost savings that we anticipate from these purchases will develop.

DUE TO THE CHANCELLOR OUTDOOR ACQUISITION, WE  
HAVE SIGNIFICANTLY EXPANDED OUR OPERATIONS IN  
MAJOR MARKETS WHERE WE CANNOT BE SURE OUR  
BUSINESS STRATEGY WILL CONTINUE TO BE SUCCESSFUL

Our acquisition of Chancellor Outdoor has significantly expanded our operations in major markets. Because we have historically focused on middle markets and have not had substantial operations in major markets to date, we cannot guarantee that we will be able to replicate the success that we have achieved with our business strategy in middle markets. Achieving our goals in major markets will depend to a great extent on our ability to attract and retain national advertising customers. Our success to date has been built in large measure on our ability to attract and retain local advertising customers. Approximately 81% of our net advertising revenues for 1998 derived from local advertising. We cannot be sure that the strategies that have worked well with local advertising customers will work with national advertisers.

In addition, expanding our operations in major markets will put us in increased competition with larger competitors with more diversified media operations who may have a more established market presence and greater financial resources than we do. We may also face more intense competition from other forms of outdoor advertising and other media in major markets than we do in middle markets.

THE BAN ON TOBACCO ADVERTISING HAS ELIMINATED A  
TRADITIONALLY SIGNIFICANT SOURCE OF OUR REVENUES  
AND WE MAY NOT BE ABLE TO CONTINUE TO REPLACE  
THESE LOST REVENUES THROUGH OTHER SOURCES

We have removed all of our outdoor advertising of tobacco products in connection with settlements the states reached with the U.S. tobacco companies. Our tobacco revenues as a percentage of consolidated net revenues were 7% for the twelve months ended December 31, 1998 and 3% for the nine months ended September 30, 1999.

The ban on outdoor advertising of tobacco products in the settlement increased our available inventory. To date, we have been successful in replacing the tobacco advertising removed with substitute advertising at comparable rates. We cannot be sure, however, that we will continue to be able to do so in the future. If we are unable to continue to replace tobacco advertising, the resulting increase in available inventory could cause us to reduce our rates or limit our ability to raise rates. In addition, we cannot guarantee that substitute advertisers will pay rates as favorable to us as those paid by tobacco advertisers.

WE FACE COMPETITION FROM LARGER AND MORE  
DIVERSIFIED OUTDOOR ADVERTISERS AND OTHER FORMS OF  
ADVERTISING THAT COULD HURT OUR PERFORMANCE

We cannot be sure that in the future we will compete successfully against the current and future sources of outdoor advertising competition and competition from other media. The competitive pressure that we face could adversely affect our profitability or financial performance. Even though, as a result of the Chancellor Outdoor acquisition, we are the largest company focusing exclusively on outdoor advertising, we face competition from larger companies with more diversified operations which also include radio and other broadcast media. We also face competition from other forms of media, including television, radio, newspapers and direct mail advertising. We must also compete with an increasing variety of other out-of-home advertising media that include advertising displays in shopping centers, malls, airports, stadiums, movie theaters and supermarkets, and on taxis, trains and buses.

In our logo sign business, we currently face competition for state-awarded service contracts from two other logo sign providers as well as local companies. Initially, we compete for state-awarded service contracts as they are privatized. Because these contracts expire after a limited time, we must compete to keep our existing contracts each time they are up for renewal.

IF OUR CONTINGENCY PLANS RELATING TO HURRICANES  
FAIL, THE RESULTING LOSSES COULD HURT OUR BUSINESS

Although we have developed contingency plans designed to deal with the threat posed to our advertising structures by hurricanes, we cannot guarantee that these plans will work. If these plans fail, significant losses could result.

A significant portion of our structures is located in the Mid-Atlantic and Gulf Coast regions of the United States. These areas are highly susceptible to hurricanes during the late summer and early fall. In the past, we have incurred significant losses due to severe storms. These losses resulted from structural damage, overtime compensation, loss of billboards that could not be replaced under applicable laws and reduced occupancy because billboards were out of service.

We have determined that it is not economical to obtain insurance against losses from hurricanes and other storms. Instead, we have developed contingency plans to deal with the threat of hurricanes. For example, we attempt to remove the advertising faces on billboards at the onset of a storm, when possible, which permits the structures to better withstand high winds during a storm. We then replace these advertising faces after the storm has passed. However, these plans may not be effective in the future and, if they are not, significant losses may result.

OUR LOGO SIGN CONTRACTS ARE SUBJECT TO  
STATE AWARD AND RENEWAL

A growing portion of our revenues and operating income come from our state-awarded service contracts for logo signs. We cannot predict what remaining states, if any, will start logo sign programs or convert state-run logo sign programs to privately operated programs. We compete with many other parties for new state-awarded service contracts for logo signs. Even when we are awarded a contract, the award may be challenged under state contract bidding requirements. If an award is challenged, we may incur delays and litigation costs.

Generally, state-awarded logo sign contracts have a term, including renewal options, of ten to twenty years. States may terminate a contract early, but in most cases must pay compensation to the logo sign provider for early termination. Typically, at the end of the term of the contract, ownership of the structures is transferred to the state without compensation to the logo sign provider. Of our current logo sign contracts, three are subject to renewal in May, June and October 2000. We cannot guarantee that we will be able to obtain new logo sign contracts or renew our existing contracts. In addition, after we receive a new state-awarded logo contract, we generally incur significant start-up costs. We cannot guarantee that we will continue to have access to the capital necessary to finance those costs.

OUR OPERATIONS COULD BE AFFECTED  
BY THE LOSS OF KEY EXECUTIVES

Our success depends to a significant extent upon the continued services of our executive officers and other key management and sales personnel. Kevin P. Reilly, Jr., our Chief Executive Officer, our regional managers and the manager of our logo sign business, in particular, are essential to our continued success. Although we have designed our incentive and compensation programs to retain key employees, we have no employment contracts with any of our employees and none of our executive officers have signed non-compete agreements. We do not maintain key man insurance on our executives. If any of our executive officers or other key management and sales personnel stopped working with us in the future, it could have an adverse effect on our business.

WE COULD EXPERIENCE SYSTEM FAILURES AND  
DISRUPTIONS OF OUR OPERATIONS AS A RESULT OF  
THE YEAR 2000 DATE RECOGNITION PROBLEM

The year 2000 date recognition problem could cause our computer systems to fail, resulting in miscalculations and incorrect data. Computer systems which may be affected by this year 2000 problem include computer systems embedded in production equipment; displays containing computer systems; business data processing systems; production, management and planning systems; and personal computers. The Company has conducted an assessment of its software and related systems and believes they are year 2000 compliant. The Company's year 2000 effort also included communication with significant third party vendors and customers to determine the extent to which the Company's systems are vulnerable to those parties' failure to reach year 2000 compliance. The Company cannot assure you that our customers, suppliers and other third parties that we deal with are or will be year 2000 compliant in a timely manner or that the Company's systems will be unaffected. Interruptions in the services provided to us or in the purchases made by these third parties could also disrupt our operations. Parties affected by a disruption in our operations and services could make claims or bring lawsuits against us. Depending upon the extent and duration of any disruptions caused by the year 2000 problem and the specific services affected, these disruptions could have an adverse affect on our business.