

SALEM COMMUNICATIONS CORPORATION AUDIT COMMITTEE CHARTER

1. Organization

1.1. This charter governs the operations of the audit committee (the “Committee”).

1.2. Each member of the Committee shall be appointed by the board of directors and may be removed by the board in its discretion. The board of directors shall designate one member of the Committee to serve as chair of the Committee, or delegate the authority to designate a chair to the Committee. The Committee shall be comprised of at least three directors.

1.2.1. Each member of the Committee shall be independent of management and the Company and, at the time of his or her appointment to the Committee, shall be able to read and understand financial statements, including the Company’s balance sheet, income statement and cash flow statement.

1.2.2. For purposes hereof, “independent” shall mean a director who (i) meets the National Association of Securities Dealers, Inc. (“NASD”) definition of independence; (ii) meets the criteria for independence set forth in Section 301 of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”); and (iii) does not directly or indirectly own or control 10% or more of the Company’s voting securities.

1.2.3. At least one member of the Committee shall meet the requirements of a “financial expert,” as defined under Section 407 of Sarbanes-Oxley, or, if not, the Company shall disclose why not in its annual report on Form 10-K.

1.3. Notwithstanding Sections 1.2.1 and 1.2.2, above, one director who is not “independent” as defined in the NASD rules but meets the independence requirements of Section 301 of Sarbanes-Oxley, and who is not a current employee of the Company or an immediate family member of a current employee, may be appointed to the Committee, if the board, under exceptional and limited circumstances, determines in accordance with applicable provisions of NASD rules that membership on the Committee by such director is in the best interests of the Company and its stockholders.

1.4. The Committee shall review and reassess this charter at least annually, and once it has been approved by the board of directors, the Committee shall obtain the board’s approval of any revisions.

2. Statement of Purposes

2.1. The primary purpose of the Committee is to oversee the accounting, reporting and financial practices of the Company and its subsidiaries.

2.2. The Committee’s purposes also include assisting the board of directors in fulfilling their oversight responsibility relating to: (i) surveillance of internal accounting and financial controls; (ii) review of the independent auditors’ qualifications and independence; (iii) performance of the Company’s internal audit function; (iv) performance of the independent auditors; and (v) compliance with legal and regulatory requirements.

2.3 The Committee shall prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

3. Duties and Responsibilities

3.1. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements.

3.2. The Committee is not responsible for preparation of financial statements or for the performance of audits and its members are not auditors of the Company's financial statements.

3.3. The Committee will undertake actions appropriate to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

3.4. The following shall be the principal recurring duties and responsibilities of the Committee in performing its oversight function, and the Committee shall carry out the following duties and responsibilities consistent with and subject to applicable law and rules and regulations promulgated by the Securities and Exchange Commission, NASD or other applicable regulatory authorities.

3.4.1. The Committee is directly responsible, in its capacity as a committee of the board, for the appointment, compensation and oversight of the independent auditors. In this regard, the Committee shall have the sole authority to appoint, retain, determine funding for, and, when appropriate, terminate the independent auditors.

3.4.2. The Committee shall review and approve in advance all audit services to be provided by the independent auditors and establish policies and procedures with respect to prior approval of permissible non-audit services to be provided by the independent auditors.

3.4.3. The Committee shall periodically review, at least annually, the independence of the independent auditors. In this regard, the Committee shall: (i) review and discuss with the independent auditors the matters included in the written disclosures required by professional independence standards applicable to the independent auditors, including reviewing and discussing any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors; (ii) consider whether the independent auditors' performance of permissible non-audit services is compatible with the auditors' independence; (iii) present to the board the Committee's conclusions with respect to the independence of the auditors.

3.4.4. The Committee shall review and discuss with the independent auditors the overall scope and plans for their respective audits including the adequacy of staffing and compensation.

3.4.5. The Committee shall periodically review and discuss the adequacy and effectiveness of the Company's internal controls, any significant deficiencies in internal controls and significant changes in such controls, and review and discuss with the principal internal auditor of the Company and such others as the Committee deems appropriate, the scope and

results of the internal audit program and the Company's risk assessment and risk management policies.

3.4.6. The Committee shall meet with the independent auditors, with and without management present, to discuss the results of their audits.

3.4.7. The Committee shall review the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. The Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The chair of the Committee may represent the entire Committee for the purposes of this review.

3.4.8. The Committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to stockholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity and completeness of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards. The Committee shall recommend to the board whether the financial statements should be included in the Company's Annual Report on Form 10-K.

3.4.9. The Committee shall review and discuss with management and the independent auditors:

(a) any material financial or non-financial arrangements of the Company which do not appear on the financial statements of the Company; and

(b) any transactions or courses of dealings, with related parties which transactions are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company's financial statements.

3.4.10. The Committee shall review and discuss with management and the independent auditors the accounting policies which may be viewed as critical, and review and discuss any significant changes in the accounting policies of the Company and accounting and financial reporting proposals that may have a significant impact on the Company's financial reports.

3.4.11. The Committee shall periodically review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures and management reports thereon.

3.4.12. The Committee shall review and discuss with management and the independent auditors any material financial or non-financial arrangements of the Company, which do not appear on the financial statements of the Company.

3.4.13. The Committee shall review any related party transactions involving directors or executive officers of the Company.

3.4.14. The Committee shall review material pending legal proceedings involving the Company and other contingent liabilities.

3.4.15. The Committee shall establish procedures for receiving and handling complaints regarding accounting, internal accounting controls and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.

3.4.16. The Committee shall establish policies and the parameters for hiring of employees and former employees of the independent auditors.

4. Meetings

4.1. The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, generally four times each year, either in person or telephonically.

4.2. The Committee shall periodically meet separately in executive session with each of the independent auditors, management and the Chief Accounting Officer of the Company.

4.3. The Committee shall regularly report to the full board of directors with respect to its meetings and activities.

4.4. A majority of the members of the Committee shall constitute a quorum.

5. Outside Advisors

The Committee shall have the authority to retain and determine funding for such outside legal counsel, accountants, experts and other advisors as it determines appropriate to assist it in the full performance of its functions. The Committee shall have sole authority to approve the fees and retention terms for its advisors.

6. Investigations

The Committee shall have the authority to conduct or authorize investigations into any matter within its scope of responsibility with full access to all books, records, facilities and personnel of the Company and shall have the authority to retain outside advisors to assist it in the conduct of any such investigation.