United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

[x] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Quarterly Period ended March 31, 1997

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _________ to _________

Commission file number 1-11588

Saga Communications, Inc.
(Exact name of registrant as specified in its charter)

Delaware	38-3042953
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
73 Kercheval Avenue Grosse Pointe Farms, Michigan	48236
(Address of principal executive offices)	(Zip Code)

(313) 886-7070
(Registrant's telephone number, including area code)

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 X No .

The number of shares of the registrant's Class A Common Stock, $.01 par value, and Class B Common Stock, $.01 par value, outstanding as of April 30, 1996 was 8,860,430 and 1,208,510, respectively.

INDEX

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Saga Communications, Inc.

Condensed Consolidated Balance Sheets
(dollars in thousands)

	MARCH 31, 1997 (UNAUDITED)	DECEMBER 31, 1996
ASSETS		
Current assets:		
Cash and temporary investments	$ 3,078	$ 4,339
Accounts receivable, net	10,051	11,629
Prepaid expenses	983	1,100
Other current assets	1,111	1,007
Total current assets	15,223	18,075
Property and equipment	64,755	63,031
Less accumulated depreciation	(34,046)	(33,327)
Net property and equipment	30,709	29,704
Other assets:		
Excess of cost over fair value of assets acquired, net	19,883	20,047
Broadcast licenses, net	22,610	20,906
Other intangibles, net	7,278	7,683
Total other assets	49,771	48,636
	$ 95,703	$ 96,415

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.

Condensed Consolidated Balance Sheets
(dollars in thousands)

	MARCH 31, 1997 (UNAUDITED)	DECEMBER 31, 1996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 710	$ 1,008
Other current liabilities	4,066	4,671
Current portion of long-term debt	3,392	1,399
Total current liabilities	8,168	7,078
Deferred income taxes	3,564	3,408
Long-term debt	50,342	52,355
Broadcast program rights	411	461
STOCKHOLDERS' EQUITY:		
Common stock	100	100
Additional paid-in capital	35,864	35,864
Note receivable from principal stockholder	(799)	(790)
Accumulated deficit	(1,947)	(2,061)
Total stockholders' equity	33,218	33,113
	$ 95,703	$ 96,415

Note: The balance sheet at December 31, 1996 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.

Condensed Consolidated Statements of Operations
(dollars in thousands except per share data)
Unaudited

	THREE MONTHS ENDED MARCH 31, 1997	1996
Net operating revenue	$13,515	$10,955
Station operating expense:		
Programming and technical	3,668	2,872
Selling	3,798	3,094
Station general and administrative	2,541	1,897
Total station operating expense	10,007	7,863
Station operating income before corporate general and administrative, depreciation and amortization	3,508	3,092
Corporate general and administrative	807	748
Depreciation and amortization	1,282	1,269
Operating profit	1,419	1,075
Other expenses:		
Interest expense	1,211	733
Loss on the sale of assets	6	3
Income before income tax	202	339
Income tax provision	88	145
Net income	$ 114	$ 194
Net earnings per common and equivalent share (primary and fully diluted)	$ .01	$ .02
Shares used in computing earnings per share (Note 3)	10,273	10,191

See noted to unaudited condensed consolidated financial statements.

Saga Communications, Inc.

Condensed Consolidated Statements of Cash Flows
(dollars in thousands)
Unaudited

	THREE MONTHS ENDED MARCH 31, 1997	THREE MONTHS ENDED MARCH 31, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash provided by operating activities	$ 2,193	$ 1,862
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(573)	(451)
Increase in intangibles and other assets	(201)	(950)
Acquisition of stations	(2,660)	--
Net cash used in investing activities	(3,434)	(1,401)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(20)	(1,214)
Net cash used in financing activities	(20)	(1,214)
Net decrease in cash and temporary investments	(1,261)	(753)
Cash and temporary investments, beginning of period	4,339	3,221
Cash and temporary investments, end of period	$ 3,078	$ 2,468

See notes to unaudited condensed consolidated financial statements.

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements
Unaudited

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1997 are not necessarily indicative of the results that may be expected for the year ended December 31, 1997. For further information, refer to the consolidated financial statements and footnotes thereto included in the Saga Communications, Inc. Annual Report (Form 10-K) for the year ended December 31, 1996.

In February, 1997 SFAS No. 128 "Earnings Per Share" was issued effective for fiscal years beginning after December 15, 1997. Adoption of this statement is not expected to have a material effect on the Company.

2. INCOME TAXES

The Company's effective tax rate is higher than the statutory rate as a result of certain non-deductible depreciation and amortization expenses and the inclusion of state taxes in the income tax amount.

3. SUBSEQUENT EVENTS

On April 1, 1997 the Company consummated a five-for-four split of its Class A and Class B Common Stock, resulting in additional shares being issued of 1,772,004 and 241,702, respectively, for holders of record on April 17, 1996. All share and per share information in the accompanying financial statements has been restated retroactively to reflect the split. The common stock and accumulated deficit accounts at March 31, 1997 and December 31, 1996 reflect the retroactive capitalization of the split.

The Company acquired an FM radio station (KLTI FM) serving the Des Moines, Iowa market on April 17, 1997, two AM and two FM radio stations (WTAX AM, WDBR FM, WVAX AM, and WYXY FM) serving the Springfield, Illinois market on May 5, 1997, and two FM radio stations (WFMR FM and WFMI FM) serving the Milwaukee, Wisconsin market on May 9, 1997. The purchase price of these acquisitions was approximately $3,200,000, $6,000,000 and $5,000,000, respectively. The Company began operating the Des Moines and Springfield radio stations under the terms of local market agreements on January 1, 1997 and July 1, 1996, respectively, which remained in effect until such closings.

Saga Communications, Inc.
Notes to Condensed Consolidated Financial Statements (Continued)
Unaudited

4. STATION ACQUISITION

The Company acquired an FM radio station (KAZR FM) serving the Des Moines, Iowa market on March 14, 1997. The purchase price was approximately $2,700,000. The acquisition was accounted for as a purchase, and accordingly, the total costs were allocated to the acquired assets and assumed liabilities based on their estimated fair values as of the acquisition date. The excess of consideration paid over the estimated fair value of the net assets acquired has been recorded as broadcast license. The Company began operating the radio station under the terms of a local market agreement on August 1, 1996, which remained in effect until such closing.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto of Saga Communications, Inc. and its subsidiaries contained elsewhere herein.

On June 11, 1996, the Company acquired an AM and FM radio station (WNAX AM/FM) in Yankton, South Dakota serving the Sioux City, Iowa market for approximately $7,000,000. On June 18, 1996, the Company acquired an AM and FM radio station (WPOR AM/FM) serving the Portland, Maine market for approximately $10,000,000.

The Company acquired an FM radio station (KAZR FM) serving the Des Moines, Iowa market on March 14, 1997. The purchase price was approximately $2,700,000. The Company began operating the radio station under the terms of a local market agreement on August 1, 1996, which remained in effect until such closing.

The Company acquired an FM radio station (KLTI FM) serving the Des Moines, Iowa market on April 17, 1997, two AM and two FM radio stations (WTAX AM, WDBR FM, WVAX AM, and WYXY FM) serving the Springfield, Illinois market on May 5, 1997, and two FM radio stations (WFMR FM and WFMI FM) serving the Milwaukee, Wisconsin market on May 9, 1997. The purchase price of these acquisitions was approximately $3,200,000, $6,000,000 and $5,000,000, respectively. The Company began operating the Des Moines and Springfield radio stations under the terms of local market agreements on January 1, 1997 and July 1, 1996, respectively, which remained in effect until such closings.

GENERAL

The Company's financial results are dependent on a number of factors, the most significant of which is the ability to generate advertising revenue through rates charged to advertisers. The rates a station is able to charge are, in large part, based on a station's ability to attract audiences in the demographic groups targeted by its advertisers, as measured principally by quarterly reports by independent national rating services. Various factors affect the rate a station can charge, including the general strength of the local and national economies, population growth, ability to provide popular programming, local market competition, relative efficiency of radio and/or broadcasting compared to other advertising media, signal strength and government regulation and policies. The primary operating expenses involved in owning and operating radio stations are employee salaries, depreciation and amortization, programming expenses, solicitation of advertising, and promotion expenses. In addition to these expenses, owning and operating television stations involve the cost of acquiring certain syndicated programming.

During the years ended December 31, 1996 and 1995, none of the Company's operating locations represented more than 15% of the Company's station operating income (i.e., net operating revenue less station operating expense), other than the Columbus and Milwaukee stations. For the years ended December 31, 1996 and 1995, Columbus accounted for an aggregate of 22% and 30%, respectively, and Milwaukee accounted for an aggregate of 23% and 22%, respectively, of the Company's station operating income. For the three month periods ended March 31, 1997 and 1996, none of the Company's operating locations represented more that 15% of the Company's station operating income, other than the Columbus, Milwaukee and Manchester stations. For the three months ended March 31, 1997 and 1996, Columbus accounted for an aggregate of 27% and 24%, respectively, Milwaukee accounted for an aggregate of 27% and 26%, respectively, and Manchester accounted for an aggregate of 14% and 15%, respectively, of the Company's station operating income. While radio revenues in each of the Columbus, Milwaukee and Manchester markets have remained relatively stable historically, an adverse change in these radio markets or these location's relative market position could have a significant impact on the Company's operating results as a whole.

Because audience ratings in the local market are crucial to a station's financial success, the Company endeavors to develop strong listener/viewer loyalty. The Company believes that the diversification of formats on its radio stations helps the Company to insulate itself from the effects of changes in musical tastes of the public on any particular format.

The number of advertisements that can be broadcast without jeopardizing listening/viewing levels (and the resulting ratings) is limited in part by the format of a particular radio station and, in the case of television stations, by restrictions imposed by the terms of certain network affiliation and syndication agreements. The Company's stations strive to maximize revenue by constantly managing the number of commercials available for sale and adjusting prices based upon local market conditions. In the broadcasting industry, stations often utilize trade (or barter) agreements to generate advertising time sales in exchange for goods or services used or useful in the operation of the stations, instead of for cash. The Company minimizes its use of trade agreements and historically has sold over 95% of its advertising time for cash.

Most advertising contracts are short-term, and generally run only for a few weeks. Most of the Company's revenue is generated from local advertising, which is sold primarily by each station's sales staff. For the three months ended March 31, 1997 and 1996, approximately 88% and 85%, respectively, of the Company's gross revenue was from local advertising. To generate national advertising sales, the Company engages an independent advertising sales representative that specializes in national sales for each of its stations.

The Company's revenue varies throughout the year. Advertising expenditures, the Company's primary source of revenue, generally have been lowest during the winter months which comprise the first quarter.

THREE MONTHS ENDED MARCH 31, 1997 COMPARED TO THREE MONTHS ENDED MARCH 31, 1996

For the three months ended March 31, 1997, the Company's net operating revenue was $13,515,000 compared with $10,955,000 for the three months ended March 31, 1996, an increase of $2,560,000 or 23%. Approximately $2,192,000 or 85.6% of the increase was attributable to revenue generated by stations which were not owned or operated by the Company for the comparable period in 1996. The balance of the increase in net operating revenue represented a 3.4% increase in stations owned and operated by the Company for the entire comparable period, primarily as a result of increased advertising rates at the majority of the Company's stations.

Station operating expense (i.e., programming, technical, selling and station general and administrative expenses) increased by $2,144,000 or 27% to $10,007,000 for the three months ended March 31, 1997, compared with $7,863,000 for the three months ended March 31, 1996. Of the total increase, approximately $1,920,000 or 90% was the result of the impact of the operation of stations which were not owned or operated by the Company for the comparable period in 1996. The remaining balance of the increase in station operating expense of $224,000 represents a total increase of 2.8% in stations owned and operated by the Company for the comparable period in 1996.

Operating profit increased by $344,000 or 32% to $1,419,000 for the three months ended March 31, 1997, compared with $1,075,000 for the three months ended March 31, 1996. The improvement was primarily the result of the $2,560,000 increase in net operating revenue, offset by the $2,144,000 increase in station operating expense, and a $59,000 increase in corporate general and administrative charges.

The Company generated net income in the amount of approximately $114,000 ($0.01 per share (adjusted for the stock split)) during the three months ended March 31, 1997, compared with net income of $194,000 ($0.02 per share) for the three months ended March 31, 1996, a decrease of approximately $80,000. The decrease in net income was principally the result of a $478,000 increase in interest costs resulting primarily from an increase in borrowed funds to finance the Company's recent acquisitions, offset by the $344,000 improvement in operating profit and a $57,000 decrease in income tax expense.

LIQUIDITY AND CAPITAL RESOURCES

The Company's policy is generally to repay its long-term debt with excess cash on hand to reduce its financing costs. As of March 31, 1997, the Company had $53,754,000 of long-term debt (including the current portion thereof) outstanding and approximately $56,000,000 of unused borrowing capacity under the Revolving Loan (as defined below).

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

The Term Loan was used to refinance the Company's existing bank indebtedness and to principally finance the acquisition of WPOR AM/FM, in Portland, Maine, and WNAX AM/FM, in Yankton, South Dakota. The Revolving Loan has a total commitment of $56,000,000, of which $51,000,000 may be used for permitted acquisitions and related transaction expenses and $5,000,000 may be used for working capital needs and stand-by letters of credit. On June 30, 1998 the Revolving Loan will convert to a five year term loan. The outstanding amount of the Term Loan is required to be reduced quarterly in amounts ranging from 2.5% to 5% of the initial commitment and the outstanding amount of the Revolving Loan will be required to be reduced quarterly commencing September 30, 1997 in amounts ranging from 1.25% to 5% of the initial commitment. In addition, commencing March 30, 1997, the Facilities will be further reduced by specified percentages of Excess Cash Flow (as defined in the Credit Agreement) based on leverage ratios.

Interest rates under the Facilities are payable, at the Company's option, at alternatives equal to LIBOR plus 1.125% to 1.75% or the prime rate plus 0% to .5%. The spread over LIBOR and the prime rate vary from time to time, depending upon the Company's financial leverage. The Company also pays quarterly commitment fees equal to 1/2% per annum on the aggregate unused portion of the Revolving Loan.

The Credit Agreement contains a number of financial covenants which, among other things, require the Company to maintain specified financial ratios and impose certain limitations on the Company with respect to investments, additional indebtedness, dividends, distributions, guarantees, liens and encumbrances.

At March 31, 1997, the Company had an interest rate swap agreement with a total notional amount of $32,000,000 that it uses to convert the variable Eurodollar interest rate of a portion of its bank borrowings to a fixed interest rate. The swap agreement was entered into to reduce the risk to the Company of rising interest rates. In accordance with the terms of the swap agreement, dated November 21, 1995, the Company pays 6.15% calculated on a $32,000,000 notional amount. The Company receives LIBOR (5.5% at March 31, 1997) calculated on a notional amount of $32,000,000. Net receipts or payments under the agreement are recognized as an adjustment to interest expense. The swap agreement expires in December 1999. As the LIBOR increases, interest payments received and the market value of the swap position increase. Approximately $51,000 in additional interest expense was recognized as a result of the interest rate swap agreement for the three months ended March 31, 1997 and an aggregate amount of $251,000 in additional interest expense has been recognized since the inception of the agreement.

During the years ended December 31, 1996, and 1995, the Company had net cash flows from operating activities of $7,679,000, and $9,483,000, respectively. During the three months ended March 31, 1997 and 1996, the Company had net cash flows from operating activities of $2,193,000 and $1,862,000, respectively. The Company believes that cash flow from operations will be sufficient to meet quarterly debt service requirements for interest and scheduled payments of principal under the Credit Agreement. If such cash flow is not sufficient to meet such debt service requirements, the Company may be required to sell additional equity securities, refinance its obligations or dispose of one or more of its properties in order to make such scheduled payments. There can be no assurance that the Company would be able to effect any such transactions on favorable terms.

On June 11, 1996, the Company acquired an AM and FM radio station serving the Yankton, South Dakota market for approximately $7,000,000. On June 18, 1996, the Company acquired an AM and FM radio station serving the Portland, Maine market for approximately $10,000,000. The acquisitions were financed by borrowings under the Company's Term Loan.

The Company acquired an FM radio station (KAZR FM) serving the Des Moines, Iowa market on March 14, 1997. The purchase price was approximately $2,700,000. The acquisition was financed through funds generated from operations

The Company acquired an FM radio station (KLTI FM) serving the Des Moines, Iowa market on April 17, 1997, two AM and two FM radio stations (WTAX AM, WDBR FM, WVAX AM, and WYXY FM) serving the Springfield, Illinois market on May 5, 1997, and two FM radio stations (WFMR FM and WFMI FM) serving the Milwaukee, Wisconsin market on May 9, 1997. The purchase price of these acquisitions was approximately $3,200,000, $6,000,000 and $5,000,000, respectively. These acquisitions were financed through funds generated from operations and additional borrowings of $11,250,000 under the Revolving Loan.

The Company anticipates that any future acquisitions of radio and television stations will be financed through funds generated from operations, borrowings under the Revolving Loan, additional debt or equity financing, or a combination thereof. However, there can be no assurances that any such financing will be available.

The Company's capital expenditures for the three months ended March 31, 1997 were approximately $573,000 ($451,000 in the comparable period in 1996). The Company anticipates capital expenditures in 1997 to be approximately $2,500,000, which it expects to finance through funds generated from operations.

INFLATION

The impact of inflation on the Company's operations has not been significant to date. There can be no assurance that a high rate of inflation in the future would not have an adverse effect on the Company's operations.

FORWARD-LOOKING STATEMENTS

Statements contained in this Form 10-Q that are not historical facts are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company cautions that a number of important factors could cause the Company's actual results for 1997 and beyond to differ materially from those expressed in any forward looking statements made by or on behalf of the Company. Forward looking statements involve a number of risks and uncertainties including, but not limited to, the Company's financial leverage and debt service requirements, dependence on key stations, U.S. and local economic conditions, and regulatory matters. The Company cannot assure that it will be able to anticipate or respond timely to changes in any of the factors listed above, which could adversely affect the operating results in one or more fiscal quarters. Results of operations in any past period should not be considered, in and of itself, indicative of the results to be expected for future periods. Fluctuations in operating results may also result in fluctuations in the price of the Company's stock.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS

10 Employment Agreement of Edward K. Christian

27 Financial Data Schedule

(b) Reports on Form 8-K

None

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.

SAGA COMMUNICATIONS, INC.

Date: May 14, 1997

/s/ Norman L. McKee

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

Date: May 14, 1997

/s/ Catherine A. Bobinski

Catherine A. Bobinski
Corporate Controller and
Chief Accounting Officer
(Principal Accounting Officer)

EMPLOYMENT AGREEMENT

AGREEMENT dated as of April 8, 1997 between SAGA COMMUNICATIONS, INC. (the "Corporation") of 73 Kercheval Avenue, Grosse Pointe Farms, Michigan 48236 and EDWARD K. CHRISTIAN (hereinafter referred to as "Christian") of 21 Newberry Place, Grosse Pointe Farms, Michigan 48236.

WHEREAS, the Corporation wishes to continue to employ Christian as Chairman, President and Chief Executive Officer of the Corporation on the terms and conditions herein set forth; and

WHEREAS, Christian wishes to be employed by the Corporation in those capacities pursuant to such terms and conditions;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Employment Agreement dated as of April 6, 1992 between the Corporation and Christian is hereby amended and restated to read in its entirety as follows:

1. The Corporation hereby agrees to employ Christian, effective as of the date hereof, as Chairman, President and Chief Executive Officer of the Corporation and in such additional capacities for the Corporation and/or its affiliates as the Corporation may from time to time direct. The term (hereinafter referred to as "the Term") of Christian's employment under this Agreement shall commence on the date hereof and, except as it may be earlier terminated pursuant to the provisions hereof, shall terminate March 31, 2002.

2. Christian hereby accepts such employment and agrees to devote such of his working time and effort as shall be necessary to perform his duties.

3. During the Term of this Agreement, Christian shall be based in the Corporation's corporate offices in the Grosse Pointe Farms, Michigan area.

4. The Corporation shall pay to Christian for all services rendered by him under this Agreement an annual salary at the rate of $350,012 per year, payable in installments of two (2) week intervals.

In addition, Christian shall be eligible to participate, in accordance with their terms, in all medical and health plans, life insurance, profit sharing, pension and such other employment benefits and stock option programs as are maintained by the Corporation or its affiliates for other key employees performing services; provided that the Corporation and its affiliates shall at all times be free to terminate, modify or amend such plans. During the Term the Corporation will maintain in force all existing policies of insurance on Christian's life, including the existing split dollar policy and the policy (the "Note Policy") pledged to secure Christian's $690,700 promissory note to the Corporation dated December 10, 1992, as amended (the "Note"). During the Term the Corporation will also maintain in force its existing medical reimbursement policy.

5. In addition to the salary specified in paragraph 4, Christian shall be entitled to a cost of living increase in his salary effective on the first day of January in each year, based on the percentage increase in the Consumer Price Index for all Cities published by the Bureau of Labor Statistics of the United States Department of Labor (or such other comparable standard as may then be in effect) during the previous calendar year.

6. In addition to the salary specified in paragraph 4 and the cost of living adjustment specified in paragraph 5, Christian shall be eligible for bonuses and/or stock options in such amounts as shall be approved by the Board of Directors of the Corporation from time to time, it being agreed that Christian's aggregate compensation in any year under paragraphs 4, 5 and 6 hereof shall not be less than his average aggregate annual compensation for 1994, 1995 and 1996 unless Christian's or the Corporation's performance shall have declined substantially.

7. The Corporation shall cause Christian to be reimbursed for all reasonable expenses incurred by him in the performance of his duties hereunder in each case in accordance with the Corporation's rules and regulations as in effect from time to time.

8. During his employment hereunder, the Corporation agrees that Christian shall be furnished with an automobile, either leased or traded out, to be used in connection with his duties hereunder and such other fringe benefits as have been afforded him in the past or as are consistent with his position.

9. Christian shall be entitled to a reasonable amount of paid vacation time in each calendar year, consistent with the provisions of paragraph 2.

10. If Christian, during the Term of this Agreement, shall fail to render substantially the services required of him hereunder for a continuous period of six (6) months or an aggregate period of nine (9) months during any eighteen (18) consecutive months (excluding vacations) by reason of his physical or mental disability, as determined by a physician acceptable to the Corporation and Christian, either party shall have the right to terminate this Agreement effective upon ten (10) days' notice at any time after the six (6) month or nine (9) month period, as the case may be, so long as the disability is continuing.

11. The Corporation may, by the vote of a majority of disinterested directors of the Corporation, terminate Christian's employment under this Agreement at any time "for cause", which term, as used herein, shall mean, conviction of a felony; willful misconduct; gross neglect of duty; material breach of fiduciary duty to the Corporation; or material breach of this Agreement. Christian may be terminated for cause only after not less than ten (10) days' notice to Christian and an opportunity for Christian to be heard and to address the charges levied.

12. Christian's employment under this Agreement shall automatically terminate upon his death or upon the consummation of a sale or transfer of control of all or substantially all of the assets or stock of the Corporation or its subsidiaries or the consummation of a merger or consolidation involving the Corporation in which the Corporation is not the surviving corporation. Notwithstanding the foregoing, any of the above described transactions which does not involve an assignment or transfer of control of licenses or permits issued by the Federal

Communications Commission (excluding for this purpose any so-called pro forma transfer of control) shall not cause Christian's employment to terminate.

13. In recognition of Christian's service to the Corporation for over ten years, if Christian remains an employee of the Corporation until the earlier to occur of (a) March 31, 2002, or (b) a termination of employment under Section 10 or 12, the Corporation will thereupon pay Christian or his estate, as applicable, an amount in cash equal to (i) the unpaid balance of the Note (including unpaid interest thereon) as of the date hereof increased at a rate per annum equal to the interest rate under the Note, from the date hereof through the date of payment, which amounts may, at the election of the Corporation, be offset against any amounts owed to the Corporation by Christian under the Note, less (ii) in the event such termination arises by reason of Christian's death, the undisputed amount of any life insurance proceeds payable to Christian under the Note Policy. In addition, the Corporation shall pay Christian or his estate such amount as is necessary to enable Christian or his estate to pay all federal and state income tax liabilities (including, without limitation, liabilities under Internal Revenue Code Sections 280G and 4999) arising by reason of the foregoing payments and by reason of payments received pursuant to this sentence, it being the intent of the parties that Christian or his estate be made whole with respect to the economic effect of all federal and state income taxes arising under this paragraph 13.

14. Upon termination of Christian's employment under paragraph 12 (other than by reason of death), the Corporation will thereupon pay Christian an amount in cash equal to five times the average of Christian's total annual compensation (including bonuses but excluding stock options and amounts payable under paragraph 13 above) for each of the three immediately preceding (and not overlapping) periods of twelve consecutive months. In addition, the Corporation shall pay Christian such amount as is necessary to enable Christian to pay all tax liabilities under Internal Revenue Code Sections 280G and 4999 and all federal and state tax liabilities arising by reason of payments received pursuant to this sentence, it being the intent of the parties that Christian be made whole with respect to the economic effect of Internal Revenue Code Sections 280G and 4999 in connection with his employment.

15. Christian agrees that he will not, during the term of this Agreement, or thereafter, divulge or disclose to unauthorized parties any confidential matters or facts relating to the operation of the Corporation or its subsidiaries which may become known to him by reason of his performance of duties under this Agreement.

16. All material and ideas pertaining to the business of the Corporation or any of its subsidiaries that are acquired, obtained, created or developed during the term of this Agreement shall belong solely to the Corporation.

17. At any time during the Term of this Agreement should Christian voluntarily terminate his employment with the Corporation, or in the event this Agreement is terminated "for cause" by the Corporation pursuant to the provisions of Section 10 hereof, Christian agrees that for a period of three (3) years thereafter he shall not, without written permission from the Corporation, directly or indirectly own, manage, operate, joint, control, be employed by or participate in the ownership, management, operation, control of or be connected in any way with, any radio station

the primary transmitter of which is located within 65 miles of the community of license of a radio station (i) then operated by the Corporation or any subsidiary thereof or (ii) then subject to a sale or purchase contract to which the Corporation or any subsidiary or parent thereof is a party.

18. Any notice hereunder shall be effective if given or tendered by registered or certified mail, return receipt requested:

if to Saga Communications, Inc., addressed

73 Kercheval Avenue
Grosse Pointe Farms, MI 48236

if to Christian, addressed

21 Newberry Place
Grosse Pointe Farms, MI 48236

or at such other address as may be set forth in a notice hereunder.

19. This Agreement may not be modified or terminated orally and shall not be assigned by either party without the prior written consent of the other. Any attempted assignment without such consent shall be void. This Agreement contains the entire understanding of the parties with respect to its subject matter, and on entering into it neither party has relied upon any representation, warranty or covenant not expressly set forth herein.

20. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first set forth.

SAGA COMMUNICATIONS, INC.

By /s/ Edward K. Christian

/s/ Edward K. Christian

Edward K. Christian

5
1,000
U.S. DOLLARS

3-MOS
DEC-31-1997
JAN-01-1997
MAR-31-1997
1
3,078
0
10,051
0
0
15,223
64,755
(34,046)
95,703
8,168
0
0
0
100
33,118
95,703
13,515
13,515
0
10,007
2,095
0
1,211
202
88
114
0
0
0
114
.01
.01