

## ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") made this 13th day of January, 2003, is by and between **Ashville Radio Partners, LLC**, a South Carolina limited liability company ("Assignor") with offices at 1311 Chuck Dawley Blvd., Suite 2012, Mount Pleasant, South Carolina 29464, and **Saga Communications of North Carolina, LLC**, a Delaware limited liability company ("Assignee") with offices at 73 Kercheval Avenue, Grosse Point Farms, Michigan 48236.

WHEREAS, Assignor and Liberty Productions, a Limited Partnership ("Liberty"), are parties to that certain Asset Purchase Agreement dated as of the date hereof (the "Purchase Agreement"), pursuant to which Liberty has agreed to sell, and Assignee has agreed to purchase, certain of the assets owned by Liberty related to radio station WOXL (FM), licensed to Biltmore Forest, North Carolina, and as more fully described in the Purchase Agreement. All capitalized words and phrases used but not defined herein shall have the meaning attributed thereto in the Purchase Agreement; and

WHEREAS, Assignor desires to assign, convey and transfer to Assignee all of Assignor's right, title, and interest in and to the Purchase Agreement, and Assignee desires to acquire all of Assignor's right, title and interest and assume all of Assignor's obligations in the Purchase Agreement.

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, Assignor and Assignee agree as follows:

1. Assignment. Assignor hereby assigns, conveys and transfers to Assignee all of Assignor's right, title and interest in and to the Purchase Agreement. Assignee hereby accepts the foregoing assignment, agrees to assume any and all obligations of the Assignor under the Purchase Agreement and to be bound by the terms of said Purchase Agreement.

2. Assignment Price. On the closing date of the transactions contemplated by the Purchase Agreement, Assignor shall pay Assignee Eight Million Dollars (\$8,000,000) (the "Assignment Price"). Assignee has delivered to Shook, Hardy & Bacon, L.L.P (the "Escrow Agent") Five Hundred Thousand Dollars (\$500,000) as a deposit (the "Deposit") to secure Assignee's performance hereunder and under that certain Asset Purchase Agreement dated as of the date hereof by and between Assignor and Assignee for the purchase of WISE(AM) ("WISE Agreement"), to be held by the Escrow Agent pursuant to the terms of the Escrow Agreement dated as of September 18, 2002 by and among Assignee, Assignor and the Escrow Agent (the "Escrow Agreement"). In accordance with Section 2(a) below, the full amount of Deposit shall be credited toward Assignee's payment of the aggregate of the Assignment Price and the purchase price set forth in the WISE Agreement ("WISE Purchase Price").

a) Concurrently with closing of the transactions contemplated by the Purchase Agreement and the WISE Agreement (the “Closing Date”):

(i) Assignee and Assignor shall cause the Escrow Agent to (A) pay to Assignee all interest accrued on the Deposit, and (B) cause the balance of the Deposit to be delivered to a bank account designated in writing by Assignor at least one day prior to the Closing Date (“Assignor Account”) as payment against the Assignment Price and the WISE Purchase Price;

(ii) Assignee shall deliver the balance of the Assignment Price (less any payments made by Assignee to Liberty under the Purchase Agreement, including the Purchase Price specified under Section 1.3 of the Purchase Agreement) to the Assignor Account;

(iii) Assignor shall cause all outstanding indebtedness owed by Liberty to Assignor pursuant to the Term Loan Agreement (as defined in the Purchase Agreement) to be cancelled under and in accordance with Section 1.3 of the Purchase Agreement; and

(iv) Assignor shall deliver to Assignee the opinion in the form set forth in **Exhibit B** dated as of the Closing Date, of special communications counsel to the Assignor.

3. Disposition of Deposit; Liquidated Damages.

(a) In the event Assignee is in breach of its obligations to close the transactions contemplated by this Agreement, the Purchase Agreement or the WISE Agreement, provided that (i) Assignor has satisfied its obligations under this Agreement, the WISE Agreement and any other agreements related hereto or thereto, (ii) Liberty has satisfied its obligations under the Purchase Agreement and any other agreements related thereto, and (iii) all conditions precedent to Assignee’s obligations to close the transactions contemplated herein or therein have been satisfied, then Assignor shall have the right to terminate this Agreement and the Deposit, together with any earnings thereon, shall be delivered to Assignor as liquidated damages, which shall be the sole remedy of Assignor for such breach. Assignor shall have no other recourse against Assignee or any of its affiliates under or on account of this Agreement, the Purchase Agreement, the WISE Agreement or any other agreements related hereto or thereto or any of the transactions contemplated hereby or thereby.

(b) In the event (i) Assignor is in breach of its obligations under this Agreement, the WISE Agreement, or any other agreements related hereto or thereto, provided Assignee has satisfied its obligations under said agreements, or (ii) in the event either the Purchase Agreement or the WISE Agreement is terminated for any reason other than Assignee’s breach of its obligations to close, Assignee shall have the right to terminate this Agreement, whereupon the Deposit and earnings thereon shall be delivered to Assignee.

(c) All payments by the Escrow Agent shall be made in accordance with the procedures and provisions set forth in the Escrow Agreement.

4. Representations and Warranties of Assignor. In order to induce Assignee to enter into this Agreement, Assignor represents and warrants to Assignee that:

a) Organization and Qualification of Assignor. Assignor is a limited liability company, validly existing and in good standing under the laws of the State of South Carolina and is duly qualified to transact business in every jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification.

b) Authority of Assignor. Assignor has the limited liability company power and authority to execute, deliver and perform this Agreement. Assignor has taken all necessary action to authorize the execution, delivery and performance by Assignor of this Agreement and all other agreements related thereto.

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

d) Purchase Agreement.

(i) Attached hereto as **Exhibit A** is a complete and correct copy of the Purchase Agreement (including all amendments thereto and modifications thereof). Except for the Purchase Agreement, Assignor is not a party to any other contract, agreement or arrangement, written or oral, express or implied, which relates to the transactions contemplated thereby.

(ii) (a) Assignor and, to Assignor's knowledge, each other party thereto have complied in all material respects with all respective provisions of the Purchase Agreement required to be complied with by them, (b) neither Assignor nor, to the best of Assignor's knowledge, any such other party is in noncompliance in any respect thereunder, and (c) to the best of Assignor's knowledge, no event has occurred which, but for the passage of time or giving of notice or both, would or might constitute such a default thereunder by Assignor or any such other party, and there is no outstanding notice of default or termination under the Purchase Agreement.

e) Litigation. There is no litigation, action, suit, investigation or proceeding (collectively "Proceedings") pending or, to the best of Assignor's knowledge, threatened against Assignor or the Station or in respect of the Purchase Agreement before or by any

court or the FCC or any other governmental agency or any board of arbitration. None of the Proceedings could, individually or in the aggregate, have a material adverse effect upon or the Subject Assets.

f) Broker's Fee. Other than the payment to American Media Service, LLC, Assignor has not incurred or become liable for any broker's commission or finder's fee relating to the transactions contemplated by this Agreement. Assignor agrees to indemnify and hold Assignee harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Assignor's behalf in connection with this transaction.

g) Consents. Assignor is not required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency or any third party in connection with the execution of this Agreement, any agreement executed in connection therewith, or the consummation of the transactions contemplated hereunder or thereunder.

h) Insolvency. Assignor is not insolvent within the meaning of the Federal Bankruptcy Code or any applicable fraudulent transfer law and will not be rendered insolvent by virtue of the transactions contemplated herein.

#### 5. Right to Indemnification.

(a) Without limiting the provisions set forth in the WISE Agreement regarding indemnification, Assignor shall indemnify, reimburse and hold harmless Assignee from and against all claims, losses, damages, costs (including, without limitation, court costs and reasonable attorneys' fees), expenses and liabilities (each a "Loss", collectively, the "Losses") suffered, incurred, or sustained by Assignee on account of (i) any misrepresentation, breach of warranty, or nonfulfillment of any agreement or covenant on the part of Assignor under this Agreement, the Purchase Agreement or any of the agreements executed in connection therewith, (ii) any liability of Assignor not specifically assumed by Assignee under this Agreement, the Purchase Agreement, or any of the agreements executed in connection therewith, (iii) the operation of the Station prior to the effective date of the Sub-Time Brokerage Agreement dated November 1, 2002 between Assignor and Assignee (the "TBA Date"), and (iv) any other matter or event respecting Assignor, Liberty or the Station arising from the business and operation of the Station prior to the TBA Date.

(b) If the Closing occurs, Assignee shall indemnify, reimburse, and hold harmless Assignor from and against all Losses suffered, incurred, or sustained by Assignor, on account of any misrepresentation, breach of warranty, or nonfulfillment of any agreement or covenant on the part of Assignee under this Agreement or any obligations which have been assumed by the Assignee hereunder.

(c) Any amounts owed by either party under this Section 5 shall bear interest from the date demand for payment thereof is made until payment in full at a rate of one and one-half percent (1.5 %) per month or such lower rate as equals the maximum rate permitted by applicable law.

(d) Notwithstanding anything to the contrary in this Agreement, Buyer shall be entitled to indemnification under this Agreement only to the extent that the aggregate amount of Losses incurred by Buyer exceeds \$100,000 in the aggregate (the “Deductible”), and then, subject to the remainder of this Section 5(d), only for the amount in excess of the Deductible; provided, however, that in no event will Buyer be entitled to indemnification under this Agreement in excess of \$750,000 in the aggregate (the “Indemnity Cap”).

6. Representations, etc. to Survive Closing. All representations and warranties in this Agreement shall survive the Closing and the consummation of the transactions contemplated hereby for two (2) years.

7. Further Assurances. Assignor and Assignee shall execute and deliver from time to time hereafter, upon reasonable request, all such further documents and instruments, and shall do and perform all such acts as may be necessary, to give full effect to the intent and meaning of the Purchase Agreement and this Agreement.

8. Notice. Any notice or communication given pursuant to this Agreement by any party to any other party shall be in writing and shall be deemed given when personally delivered or when sent by registered or certified mail, return receipt requested, postage prepaid to the parties at their addresses set forth on page 1 of this Agreement or to such other address as either party may hereafter designate to the other by like notice with a copy in each case of notice to Assignee, to Sarah N.A. Camougis, Esquire, Edwards & Angell, LLP, 101 Federal Street, Boston, Massachusetts 02110 and, in each case of notice to Assignor, to Mark Lipp, Vinson & Elkins L.L.P., 1455 Pennsylvania Avenue, N.W., Suite 500, Washington, DC 20004.

9. Specific Performance. Assignor recognizes and acknowledges that in the event it shall fail to perform its obligations under this Agreement, money damages alone will not be adequate to compensate Assignee. Assignor, therefore, agrees and acknowledges that in the event of its failure to perform its obligations, Assignee shall be entitled, in addition to any action for monetary damages, and in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement.

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

11. Assignment; Binding Effect. This Agreement shall not be assignable by either Assignor or Assignee without the prior written consent of the other, provided that Assignee may (a) make collateral assignments of its right, title and interest hereunder to its lenders; and (b) assign its rights and delegate its obligations, with recourse, to one or more partnerships, corporations or other business entities controlled by or under common control with Assignee, including without limitation a limited partnership of which Assignee is the sole general partner, provided that any such assignee shall agree in writing (in a form reasonably satisfactory to Assignor and its counsel) to assume all of Assignee’s obligations to Assignor hereunder and Assignee shall remain liable therefor. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors and assigns.

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

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

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

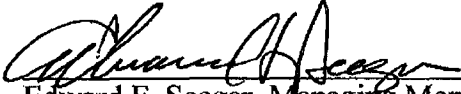
15. Counterparts. This Agreement may be executed in multiple counterparts, with the same force and effect as if all the signatures thereto appeared on the same instrument.

***\*\* The Next Page is the Signature Page \*\****

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption Agreement to be executed and delivered by their duly officers as of the day and year first above written.

**ASSIGNOR:**

ASHVILLE RADIO PARTNERS, LLC

By:   
Edward F. Seeger, Managing Member

**ASSIGNEE:**

SAGA COMMUNICATIONS OF NORTH  
CAROLINA, LLC

By: \_\_\_\_\_  
Samuel D. Bush, Treasurer

IN WITNESS WHEREOF, the parties have caused this Assignment and Assumption Agreement to be executed and delivered by their duly officers as of the day and year first above written.

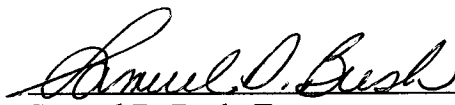
**ASSIGNOR:**

ASHVILLE RADIO PARTNERS, LLC

By: \_\_\_\_\_  
Name:  
Title:

**ASSIGNEE:**

SAGA COMMUNICATIONS OF NORTH  
CAROLINA, LLC

By:   
Samuel D. Bush, Treasurer



**Exhibit A**

**Purchase Agreement**

## Exhibit B



VINSON & ELKINS  
L.L.P.  
THE WILLARD OFFICE  
BUILDING  
1455 PENNSYLVANIA  
AVE., N.W.  
WASHINGTON, D.C.  
20004-1008  
TELEPHONE (202) 639-  
6500  
FAX (202) 639-6604  
www.velaw.com

[DATE]

Saga Communications of North Carolina, LLC  
74 Kercheval Avenue  
Grosse Pointe Farms, Michigan 48236

Ladies and Gentlemen:

We have acted as communications counsel to Ashville Radio Partners, LLC (the "Company"). We have been asked by the Company to deliver this letter to you in connection with (i) the Asset Purchase Agreement by and between Ashville Radio Partners, LLC (Buyer), and Liberty Productions, a Limited Partnership (Seller), dated \_\_\_\_\_ Assignment and (ii) the Assumption Agreement between Ashville Radio Partners, LLC (Assignor) and Saga Communications of North Carolina, LLC (Assignee), dated \_\_\_\_\_ (collectively, the "Purchase Agreements").

In connection with this opinion and in addition to the Purchase Agreement, we have examined copies the following documents (these documents, together with the Purchase Agreements, being referred to collectively as the "Transaction Documents"):

- The Amended and Restated Term Loan Agreement, August 21, 2001;
- The Option Agreement, August 21, 2001;
- The Renewed and Extended Promissory Note, August 21, 2001;
- The Amendment to Amended and Restated Term Loan Agreement, February 2002;
- The Lease Agreement, February 2002;
- The Time Brokerage Agreement, February 2002

We have assumed (a) the genuineness of all signatures of all persons executing agreements, instruments, or documents examined or relied upon by us, (b) the due execution and delivery, pursuant to due authorization, of all agreements, instruments or documents, (c) the authenticity of all documents submitted to us as originals and the conformity to authentic original

December 17, 2003

documents of all documents submitted to us as certified, conformed or photostatic copies, (d) the legal capacity of natural persons, and (e) that the Transaction Documents are legal, valid, binding and enforceable obligations of all parties thereto.

With respect to factual matters, we have relied upon (a) the representations and warranties in the Transaction Documents, (b) our review on [ ] of the publicly available station license files in Washington, D.C., of the FCC for the Station, which records we assume to be accurate and complete at the time of our examination, and (c) inquiries to the FCC's Enforcement Bureau on [ ], in each case without any inquiry or verification by us. We have examined such FCC records with respect to main station FCC licenses only, and have not examined any FCC records related to any auxiliary facilities or secondary non-broadcast facilities which may be used. We have assumed the authenticity and accuracy of the matters on which we are relying and have undertaken no independent review thereof and no other investigation or inquiry. All factual matters underlying the opinions set forth herein are based upon our knowledge. All references herein to "our knowledge" mean the actual present knowledge of the attorneys of this firm working on this transaction without any investigation or inquiry except as expressly described herein. No inference as to our knowledge of any factual matters may be drawn from the fact of our representation of any party. We point out that the Company has not at any time held any FCC authorization for the station that is the subject of this transaction.

The opinions rendered herein are limited to matters arising under the Communications Act of 1934, as amended, and the published rules promulgated by the FCC thereunder (collectively, the "Communications Laws"). We express no opinion concerning any other laws.

Based upon and subject to the foregoing and any other qualifications stated herein, we are of the opinion that:

1. The FCC licenses, permits and authorizations listed on Exhibit A hereto, (the "FCC Licenses") are validly held (or registered) by the Seller, and, except as set forth below, are in full force and effect and are not subject to any condition imposed by the FCC, other than such conditions as are set forth on the authorizations for such FCC Licenses or relate to such FCC Licenses under the Communications Act of 1934, as amended, and generally applicable rules and regulations of the FCC. The FCC Licenses include all FCC licenses, permits and authorizations necessary for the Seller to operate a Class C3 commercial FM radio station on Channel 243 at Biltmore Forest, North Carolina (the "Station").

2. A Petition for Writ of Certiorari was filed with the U.S. Supreme Court by Biltmore Forest Broadcasting FM, Inc. on July 8, 2003, Docket No. 03-48. Certiorari was denied by Order filed November 3, 2003. The time for filing petitions for rehearing expired on November 28, 2003.

A Petition for Reconsideration and/or Clarification was filed with the FCC on June 13, 2001, by Sutton Radiocasting Corporation, seeking reconsideration of the FCC's Memorandum Opinion and Order (FCC 01-129), released May 25, 2001, which granted Liberty's Application for Construction Permit (File No. BPH-19870831MI). In the alternative,

December 17, 2003

the Petition requested clarification that the FCC "did not accept for filing or grant Liberty's requested one step upgrade from Channel 243A to Channel 243C3."

A Petition for Reconsideration was filed with the FCC on September 5, 2001, by Sorenson Southeast Radio, LLC, seeking reconsideration in part of the FCC's Memorandum Opinion and Order (01-129), released May 25, 2001, which granted Liberty's Application for Construction Permit (File No. BPH-19870831MI).

As of the Closing, with respect to each of the above referenced petitions, either: (a) the petition was denied by final order; or (b) such finality was waived by Buyer in writing. To our knowledge, there are no other pending petitions of any kind that could adversely affect the Seller's right to operate the Station on FM Channel 243C3 at Biltmore Forest, North Carolina. The Seller has all necessary authority from the FCC to use the call signs listed on Exhibit A. The FCC Licenses will not expire prior to December 1, 2011. Exhibit A contains a description of all applications on behalf of the Station or with respect to the FCC Licenses that are pending before the FCC.

3. The FCC has granted its consent to the assignment of the FCC Licenses from Seller to the Buyer (the "FCC Consents") without the imposition of conditions outside the ordinary course. The FCC Consents are in full force and effect. The order of the FCC granting its consents was issued on [date], and public notice of such consents was given on [date]. The time within which a party in interest other than the FCC may seek administrative or judicial review expired on [date], and no petition for such reconsideration or review was timely filed with the FCC or with the appropriate court. The time within which the FCC may review the consents on its own motion expired on [date] and the FCC has not undertaken such review. The FCC Consents constitute all necessary consents, approvals, and authorizations required under the Communications Laws for the assignment of the FCC Licenses from Seller to the Company.

This letter is solely for your information in connection with this transaction and may not be relied upon for any other purpose. This letter may not be disclosed or delivered to, or relied upon by, any other person or entity (except Buyer's lenders), may not be quoted in whole or in part or otherwise referred to in any document, and, except as required by applicable law, may not be filed with any governmental entity. This letter is limited to the matters set forth herein, and no opinion may be inferred or implied beyond the matters expressly stated herein. This letter is limited to matters as of the date hereof or any other date identified herein, as applicable, and we specifically disclaim any duty to advise you of matters that hereafter come to our attention or otherwise arise that affect the opinions set forth herein.

Very truly yours,

VINSON & ELKINS, LLP

**EXHIBIT A**

**FCC LICENSES, PERMITS, AND AUTHORIZATIONS**