

ASSET PURCHASE AGREEMENT

AGREEMENT entered into as of September 29, 2004, by **SAGA BROADCASTING, LLC**, a Delaware limited liability company with a mailing address at 73 Kercheval Avenue, Grosse Pointe Farms, MI 48236 ("**Buyer**"); and **Cyril H. Miller** (the "**Seller**"), located at 1904 Thousand Oaks Drive, Durlison, Texas 76026. Certain capitalized terms defined herein are indexed in Section 9 hereof.

RECITALS:

WHEREAS, Seller is licensee and operator of low power television station K17FS, Victoria, Texas (Facility Id. No. 128455)(the "**Station**");

WHEREAS, Seller holds valid authorizations for the operation of the Station from the Federal Communications Commission (together with any successor thereto, the "**FCC**"), and owns all of the tangible and intangible personal property used or useful in connection with the operation of the Station; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, certain properties and assets used or useful in connection with the operation of the Station, all subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the parties agree as follows:

SECTION 1. PURCHASE AND SALE OF ASSETS

1.1. **Sale of Assets.** (a) Subject to the provisions of this Agreement, the Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase and accept from Seller, on the Closing Date (defined in Section 1.4), certain assets and rights of Seller used or useful in connection with the business and operation of the Station as follows:

(i) All tangible personal property and physical assets wherever located (collectively, the "**Tangible Assets**") as set forth on **Schedule 1.1(a)(i)**;

(ii) All agreements relating to Station, including the Station's tower space agreement (the "**Tower Space Lease**"), all attached as **Schedule 1.1(a)(ii)**(collectively, the "**Assumed Contracts**");

(iii) All governmental licenses, franchises, approvals, certificates, authorizations, permits and rights and applications thereof, including but not limited to, antenna structure registration numbers, and FCC Consolidated Database Account Numbers and

related passwords (collectively, the "Licenses"), including all Licenses set forth on Schedule 1.1(a)(iii);

(iv) Originals or, if originals are unavailable, copies of Seller's files, books, and records relating to the Subject Assets (as hereinafter defined), including FCC filings;

(v) All intangible property rights owned by Seller and used in the Station, including Seller's rights and interests to the use of the call letters of the Station as call letters or as part of a tradename, all as forth on Schedule 1.1(a)(v); and

(vi) All goodwill relating to the Station.

(c) The assets of the Seller to be sold to and purchased by the Buyer under this Agreement are hereinafter collectively referred to as the "Subject Assets."

1.2. Assumption of Liabilities. Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution, delivery and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement other than obligations accruing after Closing under the Assumed Contracts.

1.3. Purchase Price; Advance; Additional Consideration.

(a) Purchase Price. The total purchase price for the Subject Assets shall be Two Hundred Thousand Dollars (\$200,000), plus or minus adjustments as provided in Section 1.7 (the "Purchase Price"). On the Closing Date, Buyer shall cause to be paid in immediately available funds by wire transfer to a bank account designated in writing by Seller at least one day prior to the Closing Date the Purchase Price.

(b) Advance. On the date of this Agreement, Buyer shall deliver to the Seller the sum of \$7,500 ("Advance") to secure Buyer's performance hereunder (which Advance covers certain of Seller's operating costs, including utility payments, insurance costs and six months of tower rent). Should the Closing fail to occur because of a breach by Buyer of its representations and warranties hereunder or of the covenants and obligations to be performed by the Buyer hereunder, provided Seller has satisfied its obligations hereunder, and provided further, that all conditions precedent to Buyer's obligations to close the transactions contemplated herein have been satisfied, then the parties agree that the Advance shall be Seller's liquidated damages, and Seller shall have not other recourse against Buyer or any of its affiliates on account of this Agreement. The Advance shall not be considered an offset against the Purchase Price.

(c) Additional Consideration. In addition to paying the Seller the Purchase Price as set forth in Section 1.3(a), the Buyer shall provide Seller with (A) one hour of programming time (on each Sunday morning from 10:00 am-11:00 am) on both low power television stations KXTS-LP and KVTX-LP for a period of 52 weeks commencing on the first Sunday following the Closing Date; and (B) commercial advertising time on any television

station of the Buyer (or Buyer's affiliates) located in the Victoria, Texas, television market not to exceed the aggregate amount of \$3,200 (based upon the prevailing rates for the television station and the daypart on and in which the advertising is aired) for a period of one year commencing on the Closing Date. The parties hereby agree that the programming time on KXTS-LP is valued at \$26,000 and the programming time on KVTX-LP is valued at \$20,800.

(d) Allocation of Purchase Price. As contemplated under Section 1060 of the Internal Revenue Code, Buyer and Seller shall each submit Form 8594 to the Internal Revenue Service following the Closing. Such forms shall allocate the Purchase Price among the Subject Assets mutually agreed to by Buyer and Seller.

(e) Local Marketing Agreement. In the event 90 days shall elapse from the time the Assignment Application referred to in Section 3.1 appears on an FCC public notice as "accepted for filing," and the Closing has not occurred (and provided that there has been no objection filed with the FCC concerning the Assignment Application), Buyer and Seller will negotiate in good faith the terms of a local marketing agreement ("LMA") for broadcast time on the Station. In addition to other terms that the parties may agree upon, the LMA shall contain the following terms: (1) The LMA shall terminate on the earlier of the Closing or the first anniversary of its adoption; (2) Seller will provide 100% of the broadcast time on Station to Buyer, in exchange for which, Buyer will reimburse Seller for its expenses for electric power, tower rent and insurance. The LMA shall contain terms and conditions normally included in low power television time brokerage agreements, and shall comply with all FCC rules, regulations and policies. Payments to Seller under the LMA shall be made in advance on or before the first day of the month.

1.4. Time and Place of Closing. The closing of the purchase and sale provided for in this Agreement (herein referred to as the "Closing") shall take place at 10:00 a.m. on the first calendar day of the month following the date which is ten (10) days after the conditions set forth in Section 6.1 shall have been satisfied (the "Closing Date"). The Closing shall be held at such place or in such manner as the parties may agree.

1.5. Closing. At the Closing:

(a) Seller shall convey, transfer, and assign to Buyer, and shall deliver to Buyer such instruments of conveyance, transfer, and assignment, in form and substance reasonably satisfactory to Buyer and its counsel (the "Transfer Instruments"), and any required consents of third parties, as shall be sufficient to convey, transfer and assign to Buyer sole and exclusive right, title and interest in and to all the Subject Assets, in each case free and clear of all liens, pledges, encumbrances and claims of third parties, except for encumbrances specifically designated in the Schedule of Encumbrances attached hereto as Schedule 1.5 as continuing following the Closing, such instruments to include warranty bills of sale with respect to the Subject Assets, in each case in form consistent with the terms of this Agreement;

(b) Buyer shall deliver to Seller the Purchase Price;

(c) Buyer shall assume the Assumed Liabilities pursuant to instruments of assumption in form and substance reasonably satisfactory to Seller and their counsel (the "Assumption Agreement");

(d) Seller shall cause to be delivered the opinions, certificates and other documents required to be delivered pursuant to this Agreement; and

(e) Seller shall deliver to Buyer all of Seller' files and records which relate to the Subject Assets.

1.6. Covenants To Be Performed After the Closing. After the Closing, each of Seller and Buyer shall, from time to time upon the other party's request, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, all such further deeds, assignments, documents, instruments, transfers, conveyances, discharges, releases, assurances and consents, and to take or cause to be taken such further actions, as such other party may reasonably request to carry out the transactions contemplated by, and the purposes of, this Agreement. After the Closing, each of Seller and Buyer shall allow the other party reasonable access, upon reasonable notice and during normal business hours, to such of the files and records (including financial records) as relate to the Subject Assets or the Station for purposes of preparing such party's tax returns, securities filings and for all other proper purposes, and shall give such other party at least thirty (30) days' prior written notice of any proposed destruction thereof, upon which notice such other party shall have the right to take possession of such files and records for the foregoing purposes. .

1.7 Proration of Expenses; Adjustments to Purchase Price.

(a) All costs and expenses arising from the operations of the Station up to and including 11:59 p.m. of the day prior to the Closing Date (the "Cut Off Time"), will be prorated between Buyer and Seller so that Seller shall be responsible for all expenses, costs, liabilities and obligations allocable to the conduct of the business and the operation of the Station for the period prior to the Cut-Off Time, including all income and revenues and all refunds due prior to the Cut-Off Time; and Buyer (x) shall be entitled to receive all income and revenues and all refunds from and after the Cut-Off Time allocable for the period after the Cut-Off Time, and (y) shall be responsible for all expenses, costs, liabilities and obligations allocable to the conduct of the businesses and the operation of the Station for the period after the Cut-Off Time.

(b) Time for Payment. The prorations and adjustments contemplated by this Section 1.7, to the extent practicable, shall be made on the Closing Date, effective as of the Cut-Off Time. Not less than three (3) business days prior to the Closing Date, Seller shall submit to Buyer a written estimate of adjustments and prorations to be made in accordance with Section 1.7. Prior to the Closing, Buyer and Seller will attempt in good faith to agree on an amount of any adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within 90 days of the Closing Date.

(c) Dispute Resolution. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in Section 1.7 and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties whose determination shall be final, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

1.8 Termination.

(a) This Agreement may be terminated at any time by:

(i) the mutual written consent of the parties hereto;

(ii) either Buyer or Seller if the Closing does not occur within one (1) year from the date the Assignment Application (as hereinafter defined) is accepted by the FCC;

(iii) Buyer, if any of the conditions precedent to Buyer's obligations to close shall not have been either fulfilled or waived by Buyer on or before the Closing, or if Seller shall have breached any of its representations, warranties or obligations hereunder which are qualified by a standard of materiality or words of similar import, or if Seller shall have breached in any material respect any other representation, warranty or obligation hereunder and, in either case, such breach shall not have been cured in all material respects or waived prior to the earlier of the Closing Date and thirty (30) days after the Buyer has given notice to Seller of such breach; or

(iv) Seller, if any of the conditions precedent to Seller's obligations to close shall not have been either fulfilled or waived by Seller on or before the Closing, or if Buyer shall have breached any of its representations, warranties or obligations hereunder which are qualified by a standard of materiality or words of similar import, or if Buyer shall have breached in any material respect any other representation, warranty or obligation hereunder and, in either case, such breach shall not have been cured in all material respects or waived prior to the earlier of the Closing Date and thirty (30) days after Seller has given notice to Buyer of such breach.

(b) In the event of the termination of this Agreement by Buyer or Seller pursuant to this Section 1.8, written notice thereof shall promptly be given to the other party and, except as otherwise provided herein, the transactions contemplated by this Agreement shall be terminated, without further action by any party. Nothing in this Section 1.8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or to impair the right of Buyer to compel specific performance of Seller of their obligations under this Agreement.

(c) Notwithstanding the provisions of Sections 1.8(a) and (b) above, no party may terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the FCC respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate

or incomplete information to the FCC; and (iii) by any other action taken by such party for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller represents and warrants to Buyer that:

2.1. [Intentionally omitted]

2.2. [Intentionally omitted]

2.3. Binding Effect. This Agreement constitutes, and upon execution on the Closing Date the other Seller Agreements will constitute, the legal, valid, and binding obligations of Seller enforceable in accordance with their terms subject to bankruptcy, reorganization and similar laws affecting the rights of creditors generally (the "Enforceability Exception").

2.4. No Violation. Neither the execution and delivery by Seller of this Agreement and the Seller Agreements, nor the consummation of the transactions contemplated hereby or thereby, 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 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 Seller pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which any Seller is a party or by which or to which any Seller or any of its assets are subject or bound.

2.5. Title to Properties; Liens; Condition of Properties.

(a) Seller does not own any real estate used or useful in connection with the operation of the Station. The Tower Space Lease is a valid, binding and enforceable against such Seller subject to the Enforceability Exception and, to the best of each Seller's knowledge, all other parties thereto in accordance with their terms, and neither Seller nor, to the best of each Seller's knowledge, any other party thereto is in default thereunder. The Subject Assets include all of the property and property rights used in the operation of the Station as presently conducted and are in compliance with all applicable laws and regulations. Seller own the sole and exclusive right, title and interest in and to all Subject Assets free and clear of all security interests, mortgages, pledges, liens, conditional sales agreements, leases, encumbrances, easements, charges or claims of third parties of any nature whatsoever, except as set forth in Schedule 1.5, all of which (other than those specifically designated as continuing following the Closing) shall be released or discharged at or prior to the Closing.

(b) All Tangible Assets of Seller, and Seller's use of the same, (i) comply in all material respects with all laws, ordinances, codes, regulations and other requirements, including without limitation, all requirements of insurance carriers, of any governmental or other authority

having jurisdiction over such Subject Assets, including but not limited to building, safety, environmental and health laws, ordinances, codes, regulations and other requirements of any such authorities; and (ii) meet, and will as of the Closing Date meet the requirements, standards, rules and regulations of the FCC and of all Licenses.

(c) The transmitters for the Station are operating in accordance with and within the parameters established by the FCC and the Station's Licenses. The broadcast towers for the Station are in compliance with all applicable laws, including, without limitation, the Federal Aviation Act and all rules and regulations promulgated thereunder, and applications for antenna structure registrations ("ASRs") have been timely filed with the FCC and the FCC has registered the structures. The description of the towers and the antenna structure registrations are identical to the facilities described on the FCC Licenses. The Tangible Assets being conveyed pursuant to this Agreement are, and at the Closing will be, in good operating condition and repair and suitable for use in the operation of the Station, ordinary wear and tear excepted.

2.6. Tax Matters. All federal, state, county and local tax returns, reports and declarations of estimated tax or estimated tax deposit forms required to be filed by Seller in connection with its operations, personal property or payroll have been duly and timely filed (after taking into account any extensions therefor); Seller has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it, and has paid all installments of estimated taxes due; and all taxes, levies and other assessments which each Seller is required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental authorities or are held by each Seller for such payment.

2.7. Licenses. The Licenses constitute all material licenses, permits, antenna structure registrations and governmental authorizations and approvals necessary for the operation of the Station. Seller has duly obtained and legally and validly hold all Licenses, all of which are valid and in full force and effect as presently operated. Except as disclosed herein, no proceeding (judicial, administrative or otherwise) has been commenced or, to Seller's knowledge, threatened against Seller, any of its affiliates, the Station or in respect of any License which could lead to a revocation, suspension or limitation of the rights under any License. Except as disclosed herein, Seller is in compliance with each of the Licenses licensed to Seller and knows of no state of facts relating to Seller, its affiliates, the Station or the Licenses which could lead to any such revocation, suspension or limitation of any License. Except as disclosed herein, Seller has no reason to believe that any License will not be renewed, nor has any person or entity informed any Seller that such person or entity intends to oppose any such renewal. For purposes of this Agreement, all Licenses, permits and authorizations issued or required by the FCC shall be deemed to be material.

2.8. Compliance with Laws; Compliance with FCC Regulation.

(a) Seller has complied with all laws, regulations and orders and all requirements of insurance carriers applicable to the Station, and the present uses by such Seller of the Station's assets and properties do not violate any such laws, regulations, orders or requirements. Seller is not in default with respect to any judgment, order, injunction or decree of any court,

administrative agency, board of arbitration or other governmental authority. Seller has not been notified of, or to Seller's knowledge threatened with, a charge of or under investigation with respect to, any violation of any provision of any federal, state, local or municipal law or administrative ruling or regulation relating to the Station.

(b) The operation of the Station and all of the Subject Assets is in compliance with (i) all applicable engineering standards required to be met under applicable FCC rules, and (ii) all other applicable federal, state and local rules, regulations, requirements and policies, including all applicable FCC rules.

2.10. Copyrights, Patents, Trademarks, Other Intangibles. Schedule 1.1(a)(iv) lists all copyrights, patents, trademarks, service marks, trade names, current slogans, logos, jingles, computer programs, program rights, non-governmental licenses or other intangible property rights owned by, or licensed or franchised to or used by, Seller and used by the Station, all of which are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of such property and, to the best of Seller's knowledge, the operations of the Station does not infringe, and no one has asserted to Seller that such operations infringe upon, any copyright, patent, trademark, tradename, service mark or other similar right of any other party.

2.11. Contracts.

(a) Schedule 1.1(a)(ii) contains a true and complete description of all existing Assumed Contracts.

(b) Seller has delivered to Buyer complete and correct copies of all the Assumed Contracts listed on Schedule 1.1(a)(ii) (including all amendments thereto and modifications thereof). Except for the Assumed Contracts, Seller is not a party to any contracts, agreements or arrangements, written or oral, express or implied, which are material to the operation of the Station.

(c) Seller is not party to, or bound by or negotiating any collective bargaining agreement affecting the Station, nor is Seller aware of any current solicitations of its employees with respect thereto.

(d) Seller and, to the best of Seller's knowledge, each other party thereto have complied in all material respects with all respective provisions of the Assumed Contracts required to be complied with by them and neither Seller nor, to the best of Seller's knowledge, any such other party is in noncompliance in any respect thereunder, and 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 Seller or any such other party, and there is no outstanding notice of default or termination under any Assumed Contract. The Assumed Contracts are valid, binding and enforceable in accordance with their respective terms subject to the Enforceability Exception, and the sale of the Subject Assets as contemplated herein will in no way affect the validity,

enforceability and continuity of any such contracts or agreements if properly assigned to Buyer as contemplated hereby.

2.12. Litigation. Except as set forth in Schedule 2.12, there is no litigation, action, suit, investigation or proceeding (collectively "Proceedings") pending or, to the best of Seller's knowledge, threatened against Seller, any of its affiliates or the Station or in respect of the Licenses 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 Seller or the Subject Assets.

2.13. Employee Information. Seller has no employees in connection with the Station.

2.14. Material Facts. No representation or warranty made by Seller in this Agreement and no statement made by Seller (a) in any certificate, exhibit, schedule, or other writing executed and delivered by Seller, (b) in any Seller Agreement or other document or writing furnished in connection with the transactions herein contemplated and referred to herein or in the Schedules attached hereto, or (c) in any document or other writing delivered to Buyer after the date hereof and on or prior to the Closing Date by or on behalf of Seller, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in order to make the statements contained herein or therein not misleading.

2.15. Broker's Fee. Seller has not incurred or become liable for any broker's commission or finder's fee relating to the transactions contemplated by this Agreement. Seller agrees to indemnify and hold Buyer harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Seller's behalf in connection with this transaction.

2.16. Consents. Other than the consents and approvals of the FCC referred to in Section 3.1, consents of third parties to Assumed Contracts specified on Schedule 1.1(a)(ii), and other consents and filings required by this Agreement or otherwise obtained or completed at or prior to the Closing, Seller is not required to obtain any material 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 or any of the Seller Agreements or the consummation of the transactions contemplated hereunder.

2.18. Insolvency. Seller 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. Without limiting the foregoing, the Purchase Price exceeds the total amount of Seller's liabilities, and Seller will not make any payments or distributions of any kind, whether in respect of indebtedness, or otherwise, of any portion of the Purchase Price to Seller's stockholders or their affiliates until all of Seller's liabilities to others (excluding Assumed Liabilities) shall have been paid or satisfied in full or until adequate provision has been made for the payment or satisfaction thereof.

SECTION 3. COVENANTS OF SELLER

Seller covenants and agrees that from the date hereof until the Closing Date:

3.1. Approvals. Promptly upon the execution of this Agreement, Seller shall review and electronically execute the application prepared by the Buyer for filing with the FCC (the "Assignment Application") for FCC consent to the assignment of the Licenses, which shall be filed with the FCC within five (5) days after the date hereof. Seller shall diligently prosecute the Assignment Application and use all reasonable efforts to obtain consent and approval of the FCC (the "FCC Consent") as expeditiously as practicable. Seller shall not intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the Assignment Application or cause the FCC Consent not to become a Final Action.

3.2. Access. Buyer shall have the right, itself or through its representatives, during normal business hours and after reasonable written notice, to inspect Seller' properties relating to the Station and to inspect and make abstracts and reproductions of all Seller' books and records relating to the Station, including, without limitation, applications and reports to the FCC, and Seller shall furnish Buyer with such information respecting the Subject Assets and Seller' business and financial records relating to the Station as Buyer may, from time to time, reasonably request.

3.3. Conduct of Business. Seller shall maintain the Subject Assets (including the operation of the Station) in accordance with industry practices.

3.4. Satisfaction of Conditions. Seller shall use all reasonable efforts to cause all of the conditions set forth in Sections 6.1 and 6.2 to be fulfilled.

3.5. Notice of Commencement of Proceedings or Change in Condition. Seller shall provide written notice to Buyer as soon as possible and in any event within five (5) days of Seller obtaining knowledge of the occurrence of any of the following events, stating in detail the nature thereof: (i) any proceedings instituted against Seller by or in any federal or state court or before any commission, board or other regulatory body, federal, state or local, which, if adversely determined, would have a material adverse effect upon Seller's ability to perform any of its obligations under this Agreement; (ii) any action or threatened action against Seller involving the Station in any court, or any action against Seller before the FCC or any other governmental agency, and (iii) any material adverse change in the condition of the Station or Subject Assets.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF BUYER

In order to induce Seller to enter into this Agreement, Buyer represents and warrants to Seller that:

4.1. Organization of Buyer. Buyer is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware and is, or by the Closing Date will be, duly qualified to transact business in the State of Texas.

4.2. Authority of Buyer. Buyer has the corporate power to execute, deliver and perform this Agreement and the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (herein collectively called the "Buyer Agreements") and to own the Subject Assets and operate the Station after the consummation of the transactions contemplated hereby. Prior to the Closing Buyer will have taken all necessary corporate action to authorize the execution, delivery and performance by Buyer of this Agreement and the Buyer Agreements.

4.3. Binding Effect. This Agreement constitutes, and as of the Closing Date, the other Buyer Agreements will constitute, the legal, valid and binding obligations of Buyer, enforceable against it in accordance with their terms subject to the Enforceability Exception.

4.4. No Violation. Neither the execution and delivery by Buyer of this Agreement and the Buyer Agreements, nor the consummation of the transactions contemplated hereby or thereby, 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 the Securities Exchange Commission, or any provision of Buyer's corporate charter or by-laws, 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 Buyer pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which Buyer is a party or by which or to which Buyer or any of its respective assets are subject or bound, which lien, charge or encumbrance could adversely affect Buyer's ability to perform its obligations hereunder.

4.5. Consents. Other than the consents and approvals of the FCC referred to in Section 5.1, certain filings required to be made with the FCC after the Closing Date, filings to be made with the Securities Exchange Commission, consents of third parties to Assumed Contracts, filings required to perfect security interests and liens and other consents, approvals, authorizations and filings contemplated by this Agreement or otherwise obtained or completed at or prior to the Closing, Buyer 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 or any of the Buyer Agreements or the consummation of the transactions contemplated hereunder.

4.6. Broker's Fee. Buyer has not incurred or become liable for any broker's commission or finder's fee relating to the transactions contemplated by this Agreement. Buyer agrees to indemnify and hold Seller harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Buyer's behalf in connection with this transaction.

4.7. Litigation. There is no litigation, action, suit, investigation or proceeding pending or, to the best of Buyer's knowledge, threatened against Buyer or any of its affiliates before or by any court or the FCC or any other governmental agency or any board of arbitration which could reasonably be expected to (a) impair Buyer's ability to perform its obligations under this Agreement, or (b) materially and adversely affect the ability of Buyer to own and operate the Station after the Closing.

4.8. Material Facts. No representation or warranty made by Buyer in this Agreement and no statement made by Buyer (a) in any certificate or other writing executed and delivered by Buyer, (b) in any Buyer Agreement or other document or writing furnished in connection with the transactions herein contemplated and referred to herein, or (c) in any document or other writing delivered to Seller after the date hereof and on or prior to the Closing Date by or on behalf of Buyer contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in order to make the statements contained herein or therein not misleading.

SECTION 5. COVENANTS OF BUYER

Buyer covenants and agrees that from the date hereof until the Closing Date:

5.1. Approvals. Promptly upon the execution of this Agreement, Buyer shall prepare for filing with the FCC Buyer's portion of the Assignment Application which shall be filed within five (5) business days after the date hereof. Buyer shall diligently prosecute the Assignment Application and use all reasonable efforts to obtain the FCC Consent as expeditiously as practicable. Buyer shall not intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the Assignment Application or cause the FCC Consent not to become a Final Action.

5.2. Notice of Commencement of Proceedings or Change in Condition. Buyer shall provide written notice to Seller as soon as possible and in any event within five (5) days of Buyer obtaining knowledge of the occurrence of any of the following events, stating in detail the nature thereof: (i) any proceedings instituted against Buyer by or in any federal or state court or before any commission, board or other regulatory body, federal, state or local, which, if adversely determined, would have a material adverse effect upon Buyer's ability to perform any of its obligations under this Agreement and (ii) any material adverse change in the condition, financial or otherwise, of Buyer.

5.3. Satisfaction of Conditions. Buyer shall use all reasonable efforts to cause all of the conditions set forth in Sections 6.1 and 6.3 to be fulfilled.

SECTION 6. CONDITIONS TO CLOSING

6.1. Mutual Conditions. The obligations of Buyer and Seller to consummate this Agreement and the transactions contemplated hereby are subject to satisfaction at the time of the Closing of the condition that the FCC shall have issued the FCC Consent, any condition to the

effectiveness of such FCC consent and approval which is specified therein shall have been met and, subject to Buyer's rights in the next succeeding sentence, the same shall have become a Final Action. Notwithstanding the foregoing, the Buyer may, at its option, waive the condition precedent that the FCC Consent shall have become a Final Action (which waiver, if made by Buyer, shall be deemed also made by Seller), provided, however, that the FCC Consent shall have been issued by the FCC without opposition thereto by any person. As used in this Agreement, "Final Action" shall mean an order of the FCC with respect to which no appeal, no petition for re-hearing, reconsideration, or stay, and no other administrative or judicial action contesting such consent or approval, is pending and as to which the time for filing any such appeal, petition or other action has expired or, if filed, has been denied, dismissed, or withdrawn and the time for instituting any further legal proceeding has expired.

6.2. Conditions to Obligations of Buyer. Buyer's obligation to consummate the transactions contemplated by this Agreement is subject to satisfaction at the time of Closing of each of the following conditions precedent, any of which Buyer may waive in its discretion:

(a) Seller's representations and warranties contained in this Agreement shall be true and correct in all material respects on the Closing Date as though made on and as of the Closing Date; and Seller shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Closing Date.

(b) Seller shall have obtained and delivered to Buyer the consents of third parties listed on Schedule 1.1(a)(ii) which are necessary to permit the valid transfer to Buyer of all the Subject Assets.

(c) No action or proceeding shall have been instituted or threatened against Buyer, any of Buyer's affiliates or Seller before any court or governmental agency or commission or any board of arbitration seeking to restrain or prohibit, or to obtain substantial damages against Buyer or any of Buyer's affiliates in respect of, this Agreement or the consummation of the transactions contemplated hereby.

(d) The Licenses issued by the FCC (the "FCC Licenses") (i) shall have been renewed for full terms under applicable FCC rules, and shall have been assigned and transferred to Buyer, (ii) shall be valid and existing authorizations in every respect for the purpose of operating the Station, (iii) shall have been issued by the FCC under the Communications Act of 1934, as amended, for the full terms thereof, and (iv) shall contain no adverse modifications of the terms of the FCC Licenses as of the date of the Licenses and except for proceedings that affect the television broadcasting industry generally, no proceeding for any revocation, suspension or modification shall be in effect, and neither Seller nor Buyer shall have received any notice that any governmental authority may institute any such proceedings.

(e) Buyer shall have received the FCC opinion, dated the Closing Date, of Donald E. Martin, Esq. in the form of Schedule 6.2(e). Such opinion shall provide that Buyer's lenders may rely upon them.

(f) Seller shall have delivered to Buyer a Certificate of Seller, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraph (a).

6.3. Conditions to Obligations of Seller. Seller's obligation to consummate the transactions contemplated by this Agreement are subject to satisfaction at the time of Closing of each of the following conditions precedent, any of which may be waived by Seller:

(a) Each of the representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on the Closing Date as though made on and as of the Closing Date; and Buyer shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Closing Date.

(b) Buyer shall have paid the Purchase Price, as adjusted pursuant to Section 1.7, in immediate funds wire transferred to the account designated by the Seller pursuant to Section 1.3(b).

(c) Buyer shall have executed and delivered the Assumption Agreements.

(d) Buyer shall have delivered to Seller a Certificate of a senior officer of Buyer, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraph (a).

(e) Buyer shall have delivered to Seller a certificate dated as of the Closing Date, executed by an officer of Buyer, certifying (i) that the resolutions, as attached to such certificate, authorizing and approving the execution and delivery of the Buyer Agreements and the consummation of the transactions contemplated hereby, were duly adopted by Buyer; (ii) that such resolutions have not been amended and remain in full force and effect; and (iii) as to the incumbency of each signatory to the Buyer Agreements executed by Buyer.

SECTION 7. INDEMNIFICATION

7.1. Right to Indemnification.

(a) If the closing occurs, Seller shall indemnify, reimburse and hold harmless Buyer from and against all claims, losses, damages, costs (including, without limitation, court costs and reasonable attorneys' fees), expenses and liabilities suffered, incurred, or sustained by Buyer on account of (i) any misrepresentation, breach of warranty, or nonfulfillment of any agreement or covenant on the part of Seller under this Agreement or any Seller Agreement, (ii) Seller's ownership or operation of the Station prior to the Closing, including, without limitation, for any breach or default prior to the Closing Date by any Seller under any of the Assumed Contracts; (iii) any liability of Seller not specifically assumed by Buyer hereunder, and (iv) any other matter or event respecting any Seller which occurs prior to the Closing Date and which is not an Assumed Liability.

(b) If the Closing occurs, Buyer shall indemnify, reimburse, and hold harmless Seller from and against all claims, losses, damages, costs (including, without limitation, court costs and reasonable attorneys' fees), expenses and liabilities suffered, incurred, or sustained by Seller, on account of any misrepresentation, breach of warranty, or nonfulfillment of any agreement or covenant on the part of Buyer under this Agreement or any Buyer Agreement, or relating to or arising from the business and operation of the Station (i) prior to the Closing and which have been assumed by the Buyer hereunder; and (ii) subsequent to the Closing (other than those arising out of contracts, commitments, or agreements of Seller not specifically assumed by Buyer).

(c) Any amounts owed by either party under this Section 7 shall bear interest from the date demand for payment thereof is made until payment in full at a rate of six percent (6%) per annum or such lower rate as equals the maximum rate permitted by applicable law.

SECTION 8. [Intentionally omitted]

SECTION 9. COVENANTS, ETC. TO SURVIVE CLOSING

Notwithstanding any investigation made by either Buyer or Seller, all covenants, agreements, representations and warranties contained in this Agreement and in any other instruments which may be delivered pursuant hereto or in connection with the transactions contemplated hereby and which are referred to herein or in the Schedules hereto and in any other agreements, documents and instruments delivered by or on behalf of Seller after the date hereof and on or prior to the Closing Date, shall be deemed to be material and to have been relied upon by Buyer or Seller. All representations and warranties in this Agreement shall survive the Closing and the consummation of the transactions contemplated hereby for twelve (12) months.

SECTION 10. DEFINITIONS.

The following terms are defined in the provisions of this Agreement indexed below:

<u>Defined Term:</u>	<u>Defined In:</u>
<u>Advance</u>	Section 1.3(b)
<u>Assignment Application</u>	Section 3.1
<u>Assumed Contracts</u>	Section 1.1(a)(ii)
<u>Assumed Liabilities</u>	Section 1.2
<u>Assumption Agreement</u>	Section 1.5(c)
<u>Buyer</u>	Preamble

<u>Buyer Agreements</u>	Section 4.2
<u>Closing</u>	Section 1.4
<u>Closing Date</u>	Section 1.4
<u>Collection Period</u>	Section 1.9
<u>Enforceability Exception</u>	Section 2.3
<u>FCC</u>	Recitals
<u>FCC Consent</u>	Section 3.1
<u>FCC Filings</u>	Section 11.6
<u>FCC Licenses</u>	Section 6.2(e)
<u>Final Action</u>	Section 6.1
<u>Licenses</u>	Section 1.1(a)(ii)
<u>Proceedings</u>	Section 2.11
<u>Purchase Price</u>	Section 1.3(a)
<u>Seller</u>	Preamble
<u>Seller Agreements</u>	Section 2.2
<u>Station</u>	Recitals
<u>Subject Assets</u>	Section 1.1(c)
<u>Tangible Assets</u>	Section 1.1(a)(i)
<u>Transfer Instruments</u>	Section 1.5(a)

SECTION 11. MISCELLANEOUS

11.1. Fees and Expenses.

(a) Unless otherwise agreed to herein, all costs of transferring the Subject Assets in accordance with this Agreement (including recordation fees and transfer and documentary taxes) shall be borne by Seller. All FCC filing fees shall be borne equally by Buyer and Seller.

(b) Each of the parties shall bear its own expenses in connection with the negotiation and the consummation of the transactions contemplated by this Agreement, including the Seller Agreements and the Buyer Agreements.

11.2. Law Governing. This Agreement shall be construed under and governed by the laws of the State of Texas without regard for that state's choice of law rules.

11.3. 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 Buyer, to Sarah N. A. Camougis, Esq., Edwards & Angell, LLP, 101 Federal Street, Boston, Massachusetts 02110 and, in each case of notice to Seller, to Donald E. Martin, Esq., P.O. Box 8433, Falls Church, Virginia 22041.

11.4. Specific Performance. Seller recognizes and acknowledges that in the event it shall fail to perform its obligation to consummate the sale of the Subject Assets pursuant hereto, money damages alone will not be adequate to compensate Buyer. Seller, therefore, agrees and acknowledges that in the event of its failure to perform its obligation to consummate the sale of the Subject Assets pursuant hereto, Buyer 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 and of Seller's obligation to consummate the sale of the Subject Assets pursuant hereto.

11.5. Risk of Loss. (a) The risk of loss or damage to the Subject Assets by force majeure or for any other reason to Seller's business or property between the date of this Agreement and the Closing shall be borne by Seller. Seller shall take all reasonable steps to repair, replace and restore such property as soon as possible after any loss or damage, it being understood that all insurance proceeds shall be applied to or reserved for such replacement, restoration, or repair.

(b) In the event of any damage to the Station or upon the occurrence of any other event which materially impairs broadcast transmissions of the Station in the normal and usual manner and substantially in accordance with the respective FCC Licenses of the Station, Seller shall provide prompt notice thereof to Buyer and the Closing Date shall be postponed until such transmission in accordance with the applicable FCC Licenses has been resumed. The postponed Closing Date shall be such date within the effective period of the FCC's consent to transfer of the Station to Buyer as Buyer may designate by not less than five (5) days' prior notice to Seller. In the event Seller's facilities cannot be restored within the effective period of the FCC's consent to transfer of the Station to Buyer unless, in Buyer's reasonable judgment, the damage to the Station

could materially adversely affect the operations of the Station on a continuing basis, the parties shall join in an application or applications requesting the FCC to extend the effective period of its consent for a period not to exceed one hundred twenty (120) days. If no such application is filed with the FCC, or if any such application is filed with the FCC and the facilities have not been restored so that the Closing Date may occur within such extended period or any agreed extension thereof, Buyer shall have the right, by providing written notice of termination to Seller within ten (10) days after the expiration of the effective period or such 120-day period or any agreed extension hereof, as the case may be, to terminate this Agreement forthwith without any further obligation to either party, provided that the cost of such repairs, replacement or restoration would exceed Twenty-five Thousand Dollars (\$25,000). If the cost of such repairs, replacement or restoration is Twenty-five Thousand Dollars (\$25,000) or less, the parties shall proceed to Closing and the cost of any such unrepaired or unrestored damage shall be deducted from the Purchase Price.

(c) In the case of any damage or destruction to the Subject Assets the cost of the full repair, replacement or restoration of which would exceed Twenty-five Thousand Dollars (\$25,000), if full repair, replacement or restoration to or of all material assets has not been made on or before the Closing Date (as the Closing Date may be extended as provided above in this Section 11.5), then Buyer shall not be obligated to purchase the Subject Assets. In any case where full repair, replacement, or restoration to or of all damaged or destroyed assets has not been made and Buyer acquires the Subject Assets (whether or not it is obligated to do so), then at the Closing Seller shall pay to Buyer all proceeds of insurance received by Seller and not then paid by Seller for such repair, replacement, or restoration, and shall assign to Buyer all rights to receive proceeds of insurance on account of such damage or destruction, and Seller shall then after, promptly upon presentation of invoices by Buyer, reimburse the Buyer for all costs and expenses of repair, replacement, and restoration to the former condition paid or incurred by Buyer after the Closing and not paid for by insurance. The foregoing notwithstanding, Seller shall not be obligated to assign insurance proceeds or to reimburse Buyer for the cost of any repair, replacement or restoration intended to be covered by any offset identified for such purpose against the Purchase Price paid to Seller by Buyer.

(d) Without limiting in any way the Buyer's rights under Section 6.2 hereof, Seller shall not be deemed in breach of this Agreement to the extent that such breach arises from property damage and/or destruction described above in this Section 11.5 if Seller shall perform in accordance with the provisions of this Section.

11.6. Changes to Facilities. Seller agree that with Seller' consent, which consent shall not be unreasonably withheld, Buyer may, at Buyer's expense, file with the FCC applications, petitions, or other papers (herein "FCC Filings") as deemed necessary by Buyer to change the facilities of the Station. Upon request of Buyer, and as often as required by Buyer, Seller shall promptly provide to Buyer (pursuant to Section 73.3517 of the FCC's Rules) a written statement or statements which specifically grant Seller' permission to Buyer (a) to file such application, petition, or other papers, and (b) to file the statement with the application, petition or other papers.

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

11.8. Assignment; Binding Effect. This Agreement shall not be assignable by either Seller or Buyer without the prior written consent of the other, provided that Buyer may (a) make collateral assignments of its right, title and interest hereunder to its lenders; and (b) with the consent of Seller, which consent shall not be unreasonably withheld, 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 Buyer, including without limitation a limited partnership of which Buyer is the sole general partner, provided that such assignment does not cause any delay in the fulfillment of the conditions in Section 6.1(a) or relieve Buyer of any liability hereunder; and provided further that (i) any such assignee shall agree in writing (in a form reasonably satisfactory to Seller and their counsel) to assume all of Buyer's obligations to Seller hereunder, and (ii) effective upon such assignment, the representations, warranties and covenants set forth herein shall be deemed amended, to the extent appropriate, to contain corresponding written representations, warranties and covenants of the assignee, which modifications shall be reflected, to the extent appropriate, in a Certificate of Buyer furnished at the Closing, and the conditions set forth in Section 6.3 relating to the delivery of certificates to Seller, and such assignee shall, for all other purposes hereof, be deemed to be "Buyer" hereunder. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors and assigns.

11.9. Amendment; Waiver. This Agreement may be amended only by a written instrument signed by Buyer and Seller. 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.

11.10. Entire Agreement. This Agreement (including the Exhibits and Schedules hereto), the Assumption Agreement, the Transfer Instruments 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.

11.11. 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.

11.12. 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.

11.13 Choice of Forum. In the event that either party initiates a legal action against the other resulting from an effort to enforce its rights under this Agreement, or from a dispute arising out of this Agreement, such action may be brought only in the state or federal courts having jurisdiction over Victoria, Texas. Each party hereby consents to submit to the jurisdiction of such courts and agrees that it will not seek to remove such an action to any other forum.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

SELLER:

Cyril H. Miller

BUYER:

SAGA BROADCASTING, LLC

By: _____
Name:
Title:

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

SELLER:


Cyril H. Miller

BUYER:

SAGA BROADCASTING, LLC

By: _____

Name:

Title:

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

SELLER:

Cyril H. Miller

BUYER:

SAGA BROADCASTING, LLC

By: Samuel D. Bush
Name:
Title:

List of Schedules

<u>Schedule Number</u>	<u>Title</u>
1.1(a)(i)	Schedule of Tangible Assets
1.1(a)(iii)	Schedule of Licenses
1.1(a)(ii)	Schedule of Contracts
1.1(a)(iv)	Schedule of Intangible Assets
1.5	Schedule of Encumbrances
2.11	Schedule of Litigation
6.2(e)	Opinion of Seller's counsel

Schedule of Tangible Assets (1.1(a)(i))

1. Transmitter (Technalogix TXU 1000, 1kW)
2. Antenna (Power Antenna – UHF Antenna Array)
3. Transmission Line (Andrew 3”, air dielectric, HJ8-50B)
4. Transmission Line Dehydrator (Andrew MT300-81015)
5. Used double Equipment Rack
6. 2 Satellite Antennas (KTI Superior 12’ with polar mount/1 with activator arm)
7. 2 Scientific Atlanta Satellite Receivers (model D9234)
8. Automation Controller (Matco MA-204B)

Schedule of Licenses (1.1(a)(iii))

1. License for Low Power Television Station, K17FS, Victoria, Texas. Facility ID #128455.

Schedule of Contracts (1.1(a)(ii))

1. Radio Tower Rental Agreement dated as of August 8, 2003 between Husky Tower Company and Southwest Christian Heritage Association (to be assigned to Cyril Miller immediately prior to Closing).