

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") entered into as of October 15, 2004, by **CHARLOTTESVILLE COMMUNICATIONS, LLC**, a Delaware limited liability company with a mailing address at 73 Kercheval Avenue, Grosse Pointe Farms, MI 48236 ("Buyer"), and **EURE COMMUNICATIONS INC.**, a Virginia corporation located at 1140 Rose Hill Drive, Charlottesville, VA 22903-3826 ("Seller"). Certain capitalized terms defined herein are indexed in Section 10 hereof.

RECITALS:

WHEREAS, Seller is the licensee and operator of radio stations (i) WQMZ (FM) (Facility ID No. 10653), licensed to Charlottesville, Virginia, (ii) WWWV (FM) (Facility ID No. 19837), licensed to Charlottesville, Virginia and (iii) WINA (AM) (Facility ID No.10649), licensed to Charlottesville, Virginia (collectively, the "Stations"), holding valid authorizations for the operation thereof from the Federal Communications Commission (together with any successor thereto, the "FCC"), and Seller is the owner of all of the tangible and intangible personal property used or useful in connection with the operation of the Stations;

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

WHEREAS, consent of the FCC is required prior to such sale and purchase.

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 and the prior approval of the FCC, Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase and accept from Seller, on the Closing Date (as defined in Section 1.4 hereof), all of the assets and rights of every kind and nature, real, personal, and mixed, tangible and intangible, now or hereafter owned by Seller or in which Seller now or hereafter has an interest used in connection with the business and operation of the Stations, including all such assets and rights acquired by Seller or arising between the date hereof and the Closing Date (but excluding any Excluded Property, as defined in Section 1.1(b) or listed on Schedule 1.1(b)), and including, without limitation, the following:

(i) All tangible personal property and physical assets wherever located (collectively, the "Tangible Assets"), used in connection with the business and operation of the Stations as set forth on Schedule 1.1(a)(i) hereto;

(ii) All governmental licenses, franchises, approvals, certificates, authorizations, permits and rights and applications therefore, including, but not limited to, antenna structure registration numbers, FCC Registration Numbers and related passwords and FCC Consolidated Database Account Numbers and related passwords (collectively, the "Licenses") set forth on Schedule 1.1(a)(ii) hereto;

(iii) All real estate owned by Seller, including all buildings, fixtures and improvements thereon (the "Owned Real Estate"), and all real estate leases (the "Real Estate Leases") relating to the Stations described in the Schedule of Real Estate attached hereto as Schedule 1.1(a)(iii). The Owned Real Estate and the Real Estate Leases are referred to collectively as the "Real Estate")

(iv) The equipment leases, tower space leases, syndication agreements, programming and other contracts relating to the Stations described in the Schedule of Contracts attached hereto as Schedule 1.1(a)(iv); all agreements for the sale of advertising time on the Stations for cash, billed at rates consistent with Seller's past practices; the agreements for the sale of advertising time on the Stations at rates then charged to unaffiliated third parties consistent with Seller's past practices in exchange for merchandise or services (collectively, "Trade-Out Agreements") specified as such on Schedule 1.1(a)(iv) (collectively, the "Assumed Trade-Out Agreements"); such other contracts, business agreements, leases and arrangements existing on the Closing Date and entered into by Seller with persons or entities other than its affiliates, in the ordinary course of business consistent with past practices between the date hereof and the Closing Date which in the aggregate involve consideration payable or receivable not in excess of \$5,000 (the "Other Station Contracts"); and those additional contracts, business agreements, leases and arrangements used in the operation of the Stations which are not specifically disclosed in this Agreement or the Schedules hereto or which are entered into by Seller between the date hereof and the Closing Date which, in either case, Buyer may, in its discretion, agree in writing to assume (all of the foregoing, including the Assumed Trade-Out Agreements and the Other Station Contracts, being herein collectively referred to as the "Assumed Contracts");

(v) Originals or, if originals are unavailable, copies of Seller's files, books, and records relating to the Subject Assets (as hereinafter defined), including, without limitation, tapes, computer disks and electronic data processing software used or usable in the operation of the Stations, accounting journals and ledgers, FCC filings, customer lists, and the Stations' log books;

(vi) All of Seller's rights in and to all copyrights, logos, trademarks, service marks, trade names (excluding the name "Eure Communications, Inc."), current slogans, jingles, computer programs (and all goodwill associated with the foregoing) to the extent owned by Seller or its affiliates, non-governmental licenses, intellectual property, and other intangible

property rights owned by, or licensed or franchised to, Seller and used by the Stations, including those described in the Schedule of Intangible Assets attached hereto as Schedule 1.1(a)(vi);

(vii) All of Seller's rights and interests to the use of the call letters of the Stations as call letters or as part of a tradename;

(viii) All goodwill relating to the Stations; and

(ix) All non-cash accounts receivable in respect of Assumed Trade-Out Agreements.

(b) There shall, however, be excluded from such purchase and sale the following property owned by Seller (the "Excluded Property"):

(i) Cash and cash equivalents, including, but not limited to, federal income tax deposit and marketable securities, or money market instruments, including unprocessed checks, savings and other deposits and certificates of deposit, all to the extent derived from the operation of the Stations prior to the Closing Date, subject to the provisions of clause (iii) below;

(ii) Seller's corporate franchise, stock record books, corporate record books, including minutes of meetings of directors and stockholders, and such other records as deal exclusively with Seller's organization or stock capitalization; and

(iii) Assets sold by Seller following the date hereof and prior to the Closing Date in accordance with the provisions of this Agreement; provided, however, that, any proceeds of such sales shall not constitute Excluded Property.

(iv) Loan receivables, membership interests in Coastal Carolina, L.L.C., the benefits of any Benefit Trusts, and such specific tangible personal property identified on Schedule 1.1(b).

(v) the radio station WNBR, licensed to Windsor, North Carolina.

(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, except for (a) obligations accruing after the Closing under the Assumed Contracts and Real Estate Leases; (b) the accounts payable of the Seller relating to the Stations incurred in the ordinary course of business not to exceed \$120,000; and (c) items for which Buyer received a proration credit at Closing, including, without limitation, those liabilities and obligations of Seller assumed by Buyer on the Closing Date, at Buyer's election pursuant to Section 1.7(c) (such assumption of liability being limited to the amount of the credit so received). Without

limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter other than liabilities and obligations arising following the Closing under such employment agreements, if any, as constitute Assumed Contracts. Seller covenants and agrees to pay when due prior to and following the Closing all of Seller's debts, liabilities and other obligations to trade creditors and employees except to the extent such debts, liabilities and obligations shall have been expressly assumed by Buyer in writing at the Closing.

1.3. Purchase Price. The total purchase price for the Subject Assets shall be Twenty-Two Million Dollars (\$22,000,000), as adjusted in accordance with the provisions of Sections 1.3(c) and 1.7 hereof (the "Purchase Price"). Payment of the Purchase Price for the Subject Assets shall be made as follows:

(a) Escrow Deposit. Simultaneously with the execution of this Agreement, Buyer is delivering to Smithwick & Belendiuk, P.C. (the "Escrow Agent") One Million Dollars (\$1,000,000) as a deposit (the "Deposit") to secure Buyer's performance hereunder, and to be held by the Escrow Agent pursuant to the terms of the Escrow Agreement executed on the date hereof by and among Buyer, Seller and the Escrow Agent (the "Escrow Agreement").

(b) Payment of Purchase Price; Post-Closing Escrow Deposit. On the Closing Date:

(i) Buyer and Seller shall cause the Escrow Agent to (A) pay to Buyer all interest accrued on the Deposit, (B) retain a portion of the Deposit equal to One Hundred Twenty Five Thousand Dollars (\$125,000) in accordance with the terms of this Section 1.3(b), and (C) cause the balance of the Deposit in the amount of Eight Hundred Seventy Five Thousand Dollars (\$875,000) to be delivered to a bank account designated in writing by Seller at least one day prior to the Closing Date as payment against the Purchase Price; and

(ii) Buyer shall (A) 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 a portion of the Purchase Price equal to Nineteen Million Dollars (\$19,000,000), plus or minus the adjustments made pursuant to Sections 1.3(c) and 1.7 and (B) cause to be delivered to Seller (or Persons to be named by Seller no later than five (5) business days prior to the Closing Date, subject to satisfaction of Section 6.2(m) of this Agreement) that number of shares (rounded to the nearest whole share) of unregistered Class A Common Stock, \$.01 par value, of Saga Communications, Inc. ("Saga Stock") as shall equal Two Million Dollars (\$2,000,000) divided by the average closing price of Saga Stock on the New York Stock Exchange for the twenty (20) trading days commencing on September 20, 2004.

In accordance with Section 1.3(b)(i) above, One Hundred Twenty Five Thousand Dollars (\$125,000) of the Deposit will be retained by the Escrow Agent as security for Seller's obligations to Buyer following the Closing pursuant to the terms of the Escrow Agreement (the "Post-Closing Escrow"). Pursuant to the Escrow Agreement, (i) three (3) months following the Closing, 50% of the Post-Closing Escrow, together with the earnings thereon, less the amount of

any then unresolved pending claims by Buyer shall be released from the Post-Closing Escrow and paid to Seller; and (ii) six (6) months following the Closing the balance of the Post-Closing Escrow, together with the earnings thereon, less the amount of any then unresolved pending claims by Buyer shall be released from the Post-Closing Escrow and paid to Seller.

(c) Accounts Receivable. On the Closing Date, Buyer will purchase from Seller the accounts receivable related to the Stations at a purchase price equal to the product of (i) the accounts receivable balance (adjusted for any bad debt reserves) and (ii) 65/100 (65%), minus any and all local and national commissions due on the collection of such accounts (the "A/R Payment"). The A/R Payment shall result in an upward adjustment to the Purchase Price. Notwithstanding the foregoing, Buyer shall be obligated to remit to Seller any amounts (net of all collection costs and expenses) collected by Buyer within six (6) months of Closing on account of any receivables written off as bad debts by the Seller.

(d) Disposition of Deposit; Liquidated Damages. On the Closing Date, the earnings on the Deposit shall be paid to Buyer by wire transfer in immediately available funds. If the Closing does not 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, pursuant to the Escrow Agreement, the Deposit and earnings thereon shall be delivered to Seller as liquidated damages, which shall be the sole remedy of Seller for such breach, and Seller shall have no other recourse against Buyer or any of its affiliates under or on account of this Agreement. In any other case, if the Closing does not occur and this Agreement is terminated, then, pursuant to the Escrow Agreement, the Deposit and earnings thereon shall be delivered to Buyer. All payments by the Escrow Agent shall be made in accordance with the procedures and provisions set forth in the Escrow Agreement.

(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. Buyer and Seller shall agree to the allocation of the Purchase Price within thirty (30) days after the Closing Date, and such allocation shall be reflected in each party's Form 8594.

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 business day following five (5) business days after the conditions set forth in Section 6.1(a) shall have been satisfied (the "Closing Date") or at such time that parties may mutually agree. The Closing shall be held at the offices of Edwards & Angell, LLP, 101 Federal Street, Boston, MA 02110, or at such other place or in such other 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 (including, without limitation, satisfactory estoppel language as to the absence of defaults and the completeness of documentation of the respective lessors, landowners and any other persons or entities whose consents may be required to permit Seller to assign or Buyer to assume the liabilities, contracts, leases, licenses, understandings and agreements constituting the Assumed Contracts), as shall be sufficient to convey, transfer and assign to Buyer (i) 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 (x) liens for taxes and assessments in respect of the Real Estate not yet due and payable and for which a proration has been made pursuant to Section 1.7; and (y) easements, restrictions and encumbrances specifically designated in the Schedule of Encumbrances attached hereto as Schedule 1.5 as continuing following the Closing, such instruments to include special warranty deeds with respect to the Owned Real Property, a warranty assignment of the Real Estate Leases and other contracts and agreements and 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, as adjusted pursuant to Sections 1.3(c) and 1.7, less the Post-Closing Escrow;

(c) Buyer shall assume the Assumed Contracts pursuant to instruments of assumption in form and substance reasonably satisfactory to Seller and its 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's files and records which relate to the Subject Assets, including, without limitation, all log books relating to the Stations, and Seller shall put Buyer in actual possession of the Subject Assets and such files and records.

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 Stations 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. In the event Buyer determines it to be necessary or appropriate for purposes of facilitating securities law filings prior to or following the Closing, Buyer shall have the right, at Buyer's expense, to conduct an audit of Seller's financial condition as it pertains to the Station for periods ending prior to the Closing Date, and Seller shall cooperate with Buyer in connection with such audit.

1.7. Proration of Expenses; Adjustments to Purchase Price.

(a) All costs and expenses arising from the operations of the Stations 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 Seller’s conduct of the business and the operation of the Stations for the period prior to the Closing Date, and Buyer shall be responsible for all expenses, costs, liabilities and obligations allocable to the conduct of the businesses and the operation of the Stations for the period on and after the Closing Date. Items to be apportioned pursuant to this paragraph shall include, without limitation, the following:

(i) all personal property taxes, real estate taxes, water taxes, ad valorem, and other property taxes or assessments on or with respect to the assets and property interests to be transferred or assigned to Buyer hereunder;

(ii) business and license fees including any FCC regulatory fees (and any retroactive adjustments thereof); wages, salaries and benefits of employees (including accruals up to the Cut-Off Time for insurance premiums, bonuses, commissions, sick pay, vacation pay and the like and related payroll taxes) and similarly prepaid and deferred items as well, including any prepaid trips for prizes or incentives that have not been awarded as of the Closing Date;

(iii) sewer rents and charges for water, electricity and other utility expenses and fuel;

(iv) property and equipment rentals, applicable copyright or other fees, sales and other charges; and

(v) rents, additional rents and similar prepaid and deferred items, taxes and other items payable under any lease, contract, commitment or other agreement or arrangement to be assigned and assumed hereunder and all other income and expenses attributable to the ownership and operation of the Stations.

Taxes to be apportioned pursuant to this Section 1.7 shall be apportioned in proportion to (x) the number of days in the taxable period before and including the Cut-Off Time and (y) the number of days in the taxable period after the Cut-Off Time. No apportionment shall be made pursuant to this Section 1.7 of any federal, state, foreign or local income taxes. Any tax refunds or rebates accruing before the Cut-Off Time for taxes that were paid prior to Closing shall remain the property of Seller, whether such refund is paid before or after the Closing Date.

(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, which adjustments and prorations shall be made within forty-five (45) days of the Closing Date.

(c) Assumption of Obligations. On the Closing Date, Buyer may, in its sole discretion, elect to assume such liabilities and obligations of Seller (except for the Assumed Contracts) outstanding as of the Closing Date as Buyer shall specify in a writing delivered to Seller at or prior to the Closing. In such event, the Purchase Price shall be adjusted downward to reflect those liabilities and obligations of Seller the payment and performance of which Buyer has elected in writing to assume. Such adjustment to the Purchase Price shall be equal to the aggregate amount of the liabilities and obligations assumed by Buyer.

(d) 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 nine months 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 or within thirty (30) days after the Buyer has given written notice to Seller of such breach;

(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 or within thirty (30) days after Seller has given written notice to Buyer of such breach; or

(v) Buyer or Seller, if the FCC for any reason designates for hearing the Assignment Application.

(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 its 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.

1.9 Schedules to the Asset Purchase Agreement. Buyer and Seller hereby acknowledge that the Schedules to this Agreement (the "Schedules") have not yet been finalized by the Seller. Seller hereby covenants and agrees to deliver to Buyer proposed final versions of the Schedules (the "Proposed Schedules") within 60 days of the date of this Agreement. The Proposed Schedules shall be deemed final versions of the Schedules for all purposes and shall form a part of, and be attached to, this Agreement, unless such Proposed Schedules differ in any material respect from the due diligence and other information and documentation pertaining to the Seller and the Stations (the "Due Diligence") previously delivered to the Buyer. Buyer shall have ten (10) days from the date of its receipt of the Proposed Schedules from Seller to notify Seller in writing of any discrepancies between the Due Diligence and the Proposed Schedules ("Buyer's Notice"). If within the ten (10) days following Seller's receipt of Buyer's Notice, Buyer and Seller are unable to agree on the final form of the Schedules, then either party which is not then in breach with any of the terms of this Agreement shall have the right to terminate this Agreement by written notice to the other party, in which event neither party shall have any further obligations to the other party.

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. Organization and Qualification of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and is duly qualified to transact business in the Commonwealth of Virginia and in every other jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification.

2.2. Authority of Seller. Seller has the corporate power and authority to execute, deliver and perform this Agreement, the Escrow Agreement, and, upon Closing, the Transfer

Instruments and all other agreements, documents and instruments to be executed and delivered by Seller pursuant hereto (collectively, the “Seller Agreements”) and to own the Subject Assets and operate the Stations prior to the consummation of the transactions contemplated hereby. Seller has taken all necessary corporate action to authorize the execution, delivery and performance by Seller of this Agreement and the Seller Agreements.

2.3. Binding Effect. This Agreement and the Escrow Agreement constitute, 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 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 corporate charter or by-laws of Seller, 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 Seller is a party or by which or to which Seller or any of its assets are subject or bound.

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

(a) Schedule 1.1(a)(iii), the Schedule of Real Estate, contains an accurate legal description of all of the Real Estate. All Real Estate Leases and all leases of personal property to which Seller is a party are valid, binding and enforceable against Seller subject to the Enforceability Exception and, to the best of Seller’s knowledge, all other parties thereto in accordance with their terms, and neither Seller nor, to the best of Seller’s knowledge, any other party thereto is in default thereunder. All of the towers, guy anchors, ground systems and buildings relating to the Stations’ towers and transmitters are located on the Real Estate. The Subject Assets include all of the property and property rights used or useful in the operation of the Stations as presently conducted and are in compliance with all applicable laws and regulations. Seller owns the sole and exclusive right, title and interest in and to all Subject Assets free and clear of all security interests, mortgages, pledges, liens (including mechanics and materialmen 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 Real Estate and Tangible Assets, and Seller’s use of the same, (i) comply in all material respects with all laws, ordinances, codes, regulations and other requirements 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 Stations are operating in accordance with and within the parameters established by the FCC and each such Station's Licenses. The broadcast towers for the Stations are in compliance with all applicable laws, including, without limitation, the Federal Aviation Act and all rules and regulations promulgated thereunder and have been registered with the FCC. 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 Stations, ordinary wear and tear excepted.

(d) Seller has access to all Real Estate pursuant to valid easements included as part of the Subject Assets or pursuant to public rights of way. All utilities servicing the Stations have access to the properties of such Stations pursuant to valid easements or public rights of way. No condemnation proceedings are pending or threatened with respect to any of the Real Estate, nor has any such property been condemned. To Seller's knowledge, no condemnation proceedings are pending or threatened with respect to any of the Real Estate, nor has any such property been condemned.

2.6. Tax Matters. Except as set forth in Schedule 2.6, 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). Except as set forth in Schedule 2.6, 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 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 Seller for such payment.

2.7. Licenses. Except as set forth on Schedule 1.1(a)(ii), the Licenses constitute all material licenses, permits and governmental authorizations and approvals necessary for the operation of the Stations. Seller has duly obtained and legally and validly holds all Licenses, all of which are valid and in full force and effect as presently operated. No proceeding (judicial, administrative or otherwise) has been commenced or, to Seller's knowledge, threatened against Seller, any of its affiliates, the Stations or in respect of any License which could lead to a revocation, suspension or limitation of the rights under any License. Seller is in compliance with each of the Licenses and knows of no state of facts relating to Seller, its affiliates, the Stations or the Licenses which could lead to any such revocation, suspension or limitation of any License. Seller has no reason to believe that any License will not be renewed, nor has any person or entity informed Seller that such person or entity intends to oppose any such renewal or application for a license.

2.8. Financial Condition of Seller.

(a) Seller has heretofore delivered to Buyer the financial statements and information relating to the Stations described in the Schedule of Financial Statements attached hereto as Schedule 2.8 (the financial statements referred to in said Schedule, together with the monthly financial statements required to be furnished pursuant to Section 3.3 being hereinafter collectively referred to as the “Financial Statements”). The Financial Statements have been or, in the case of those to be provided after the date hereof, will be prepared by Seller in accordance with generally accepted accounting principles, consistently applied and fairly present the financial condition and results of operations of the Stations for the periods covered thereby (subject, in the case of interim Financial Statements, to normal year-end adjustments and the absence of footnotes).

(b) Except as otherwise disclosed in Schedule 2.8, since December 31, 2003 and through the Closing Date, there has been no change in the condition (financial or otherwise), results of operations, business or assets of the Stations which, individually or in the aggregate, is, or would be likely in the future to be, materially adverse to the Stations’ condition, results of operations, business or assets taken as a whole.

2.9. Insurance; Compliance with Laws; Compliance with FCC Regulation.

(a) A description of all policies of title, liability, fire, worker’s compensation and other forms of insurance insuring the Seller’s properties, assets and operations relating to the Stations are set forth on Schedule 2.9. Except as disclosed on Schedule 2.9, all such policies are in full force and effect, have been underwritten by unaffiliated insurers and are sufficient under applicable law.

(b) Seller has complied with all laws, regulations and orders and all requirements of insurance carriers applicable to the Stations, and the present uses by Seller of the Stations’ 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 is not charged with, or to its 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 Stations.

(c) The operation of the Stations and all of the Subject Assets are 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)(vi) 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 Stations, 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 Stations do 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)(iv) contains a true and complete description of all existing Assumed Trade-Out Agreements, including the dollar amount of the broadcasting time (computed at billing rates currently charged to unaffiliated third parties consistent with Seller's past practices) owed by the Stations under each such agreement as of the date of this Agreement.

(b) Seller has delivered to Buyer complete and correct copies of all the Assumed Contracts listed on Schedule 1.1(a)(iv) (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 Stations.

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

(d) Seller and, to 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, with 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 Stations 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 heretofore delivered to Buyer: (i) accurate information pertaining to all persons employed at the Stations and their present positions and start dates; (ii) all compensation arrangements respecting those employees subject to an employment agreement previously delivered to Buyer; and (iii) all employee benefit plans or arrangements, hospitalization and other insurance programs, and vacation, sick leave and termination policies. The Seller neither maintains, participates in, nor is subject to an employee

pension plan (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended).

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)(iv), 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.

2.17. Environmental Compliance.

(a) Seller, Seller's subtenants and any other occupants or users of the Real Estate under Seller's control thereof, and to the best of Seller's knowledge, all owners, previous owners, tenants, subtenants, occupants or users of any of the parcels of Real Estate or any other persons, have conducted their respective business, operations and activities upon such Real Estate in compliance with all Environmental Requirements.

(b) Without limiting the foregoing, no Hazardous Material is currently, or, has been located in, on, under or about any of the Real Estate, whether originating from an on-site or off-site location or activity, in a manner which violates any Environmental Requirement or, which requires clean up or corrective action of any kind.

(c) Without limiting the foregoing, all aboveground and underground storage tanks (including the piping servicing the same) containing a Hazardous Material and located on or serving the Real Estate are in compliance with Environmental Requirements and are not leaking or otherwise discharging Hazardous Materials therefrom, all such storage tanks being listed on Schedule 2.17.

(d) Seller has not received any notice of violation, lien, complaint, suit, order or other notice or communications concerning any alleged violation of any Environmental Requirement

("Environmental Notice") with respect to Seller's use of the Real Estate, which has not been fully satisfied and complied with in a timely fashion so as to bring such Real Estate in full compliance with all Environmental Requirements. To Seller's knowledge, there has not been any Environmental Notice with respect to any of the Real Estate received by any prior owner or occupant of any of the Real Estate which has not been fully satisfied and complied with in a timely fashion so as to bring such Real Estate in full compliance with all Environmental Requirements.

(e) Seller has all material permits and licenses required under any Environmental Requirement to be issued to it by any governmental authority on account of any or all of its activities on any of the Real Estate and is in compliance with the terms and conditions of such permits and licenses. Any and all such permits and licenses are in full force and effect. To Seller's knowledge, no change in facts or circumstances reported or assumed in the application for or granting of such permits or licenses exists.

(f) No portion of the Real Estate used by Seller, has been listed, designated or identified in the National Priorities List (NPL) or the CERCLA Information System ("CERCLIS"), both as published by the United States Environmental Protection Agency, or any similar list of sites published by any Federal, state or local authority proposed for or requiring clean up, or remedial or corrective action under any Environmental Requirement.

(g) As used herein "Environmental Requirements" shall mean all now existing applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans and authorizations, policies and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, states and political subdivisions thereof and all applicable judicial, administrative and regulatory decrees, judgments and orders relating to the protection of human health or environmental, including, without limitation, the Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), Emergency Planning and Community right to Know Act, Federal Water Pollution Control Act, National Historic Preservation Act, Occupational Safety and Health Act, Oil Pollution Act, Pollution Prevention Act, Resource Conservation and Recovery Act ("RCRA"), Safe Drinking Water Act, and the Toxic Substance Control Act ("TOSCA"), all as amended from time to time.

(h) As used herein "Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous waste, toxic substances or related materials, including, without limitation, asbestos, polychlorinated biphenyls, ureas formaldehyde, radon, and any substance defined as or included in the definition of (a) any "hazardous waste" as defined pursuant to RCRA; (b) any "hazardous substance" as defined by CERCLA; (c) any "toxic substance" as defined pursuant to TOSCA; (d) any oil or other petroleum product; and (e) any other substance, pollutant, contaminant, chemical or industrial toxic or hazardous substance or waste, including, without limitation, hazardous materials defined and regulated by of any other Environmental Requirement.

(i) Nothing contained in this Section 2.17 shall be interpreted to limit Buyer's right to full indemnification by Seller under this Agreement for alleged noncompliance with

Environmental Requirements arising by reason of acts or omissions occurring prior to the Closing.

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.

2.19. Investment Intent. Seller is (i) an “accredited investor” as defined in Regulation D of the Securities Act of 1933, as amended and (ii) acquiring the Saga Stock pursuant to Section 1.3(b)(ii) hereof for investment and not with a view for resale or distribution thereof. Seller has been furnished by Buyer with SEC filings of Saga Communications, Inc. (“Saga”) and has been given the opportunity to ask questions and seek additional documents from Saga.

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 prepare for filing with the FCC Seller’s portion of the application for FCC consent to the assignment of the Licenses (the “Assignment Application”), which shall be filed within fifteen (15) business 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’s properties relating to the Stations and to inspect and make abstracts and reproductions of all Seller’s books and records relating to the Stations, including, without limitation, applications and reports to the FCC, and Seller shall furnish Buyer with such information respecting the Subject Assets and Seller’s business and financial records relating to the Stations as Buyer may, from time to time, reasonably request.

3.3. Conduct of Business. Except for those changes or actions expressly implemented by mutual consent of Buyer and Seller, Seller shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the Subject Assets (other than Seller’s contemplated sale of a translator identified on Schedule 1.1(b)) having a value per item in excess of \$1,000 and valued in excess of \$5,000 in the aggregate;

(b) refrain from modifying, amending, altering or terminating any of the other Assumed Contracts or waiving any default or breach thereunder or modifying, altering or terminating, any other right relating to or included in the Subject Assets;

(c) maintain insurance on the Subject Assets against loss or damage by fire and all other hazards and risks in an amount consistent with the existing policy amounts described in Schedule 2.9;

(d) maintain its books and records in accordance with prior practice; maintain the Subject Assets in adequate condition, ordinary wear and tear excepted; maintain supplies of inventory and spare parts relating to the Stations consistent with past practices; and, except as otherwise specifically provided in this Agreement, otherwise operate the Stations in the ordinary course in accordance with past practices;

(e) refrain from taking any action which is not in the usual and ordinary course of business regarding the Subject Assets or which could reasonably be expected to materially adversely affect the value of the Subject Assets;

(f) refrain from hiring, firing, releasing or transferring any employee of the Stations without prior written notice to Buyer;

(g) refrain from (i) increasing the compensation payable or to become payable to any of Seller's employees or agents, except upon prior written notice to Buyer or (ii) entering into any contract or renewal or amendment of any existing contract for the employment of any employee or agent of Seller except with Buyer's approval, which shall not be unreasonably withheld or delayed;

(h) promptly notify Buyer upon Seller's becoming aware of the resignation or contemplated resignation of any supervisory employee of the Stations;

(i) refrain from changing its charter or by-laws in any way which would adversely affect its corporate power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;

(j) operate the Stations in accordance with the Licenses and comply with all laws, rules and regulations applicable to it, including the rules and regulations of the FCC;

(k) refrain from subjecting any of the Subject Assets to any new lien, claim, charge, or encumbrance (other than minor liens, claims, charges or encumbrances which will not materially interfere with the occupation, use and enjoyment by Buyer of the Subject Assets in the normal course of its business or impair the value of the Subject Assets and which shall be discharged as of the Closing Date) or from increasing any existing lien, claim, charge or encumbrance;

(l) refrain from doing or omitting to do any act which will cause a breach of, or default under, or termination of, any Assumed Contract;

(m) without in any way limiting Buyer's rights under Section 6.2, take such action as may be reasonably necessary to obtain any required consents of third parties to the transactions

contemplated herein, including, without limitation, consents to the assignment of the Assumed Contracts and the Real Estate Leases to Buyer and estoppel certificates in customary form with respect thereto;

(n) refrain from entering into any Trade Out Agreement not in effect on the date hereof and listed on Schedule 1.1(a)(iv);

(o) refrain from entering into any other contract or agreement not in effect on the date hereof and listed on Schedule 1.1(a)(iv), except for contracts entered into in the ordinary course of business which do not involve consideration having a value in excess of \$1,000, individually or an aggregate value in excess of \$5,000 and which may be terminated on not more than ninety (90) day's notice without premium or penalty;

(p) provide to Buyer, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to the Stations;

(q) diligently prosecute the Assignment Application; not permit any of the Licenses to expire or to be surrendered or voluntarily modified, or take any action (or fail to take any action) which could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or limitation of rights under any License; or fail to prosecute with due diligence any pending applications to any governmental authority with respect to the Stations or any such Licenses, except for proceedings affecting the radio broadcasting industry generally;

(r) provide to Buyer, promptly upon receipt thereof by Seller (i) a copy of any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any License, or any other license or permit held by Seller respecting the Stations, and (ii) copies of all protests, complaints, challenges or other documents filed with the FCC by third parties concerning the Stations and, promptly upon the filing or making thereof, copies of Seller's responses to such filings;

(s) notify Buyer in writing immediately upon learning of the institution or written threat of any action against Seller involving the Stations in any court, or any action against Seller before the FCC or any other governmental agency, and notify Buyer in writing promptly upon receipt of any administrative or court order relating to the Subject Assets or the Stations;

(t) except as required under FCC rules in the event of repairs to the transmission system of the Station, refrain from filing any application for any construction permit or modification of any License affecting the Stations or otherwise changing any of the Stations' facilities;

(u) pay or cause to be paid or provided for when due (except to the extent contested in good faith for which proper reserves shall have been established) all income, property, use,

franchise, excise, social security, withholding, worker's compensation and unemployment insurance taxes and all other taxes of or relating to Seller, the Subject Assets and the employees required to be paid to city, county, state, Federal and other governmental units up to the Closing Date; and

(v) if requested by Buyer, with respect to any Assumed Contract which can be terminated or not renewed by Seller in compliance with the terms thereof, notify the other parties to such Assumed Contract that Seller elects to terminate (or, if applicable, elects not to renew) such Assumed Contract.

(w) within thirty (30) days following the end of each calendar month, provide Buyer with a statement of income for each Station for such month and for the year-to-date period then ended (including a comparison to budget).

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. Prior to the Closing, 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 Stations 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, financial or otherwise, of the Stations or Seller.

3.6. Construction Permit. Seller will use its best efforts to enter into an agreement (any such agreement, the "Purchase Agreement") to purchase the new construction permit at 1450 KHZ (the "Construction Permit") licensed to Charlottesville, VA in form and substance satisfactory to Buyer. On the Closing Date, Seller agrees to assign to Buyer, and Buyer agrees to assume, all of Seller's rights and obligations under the Purchase Agreement.

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 limited liability company 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 Commonwealth of Virginia.

4.2. Authority of Buyer. Buyer has the requisite power to execute, deliver and perform this Agreement, the Escrow Agreement, the Assumption 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 Stations after the consummation of the transactions contemplated hereby. Prior to the Closing, Buyer will have taken all necessary action to authorize the execution, delivery and performance by Buyer of this Agreement and the Buyer Agreements.

4.3. Binding Effect. This Agreement, and the Escrow Agreement constitute, 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 any provision of Buyer’s certificate of formation or operating agreement, 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. Qualification. Buyer is legally and financially qualified to become the licensee of the Stations and to purchase the Stations and consummate the transactions contemplated herein.

4.8. Litigation. There is no litigation, action, suit, investigation or proceeding pending or, to the best of Buyer’s knowledge, threatened against or affecting the transactions contemplated by this Agreement by any court or the FCC or any other federal or state or other governmental agency or any board of arbitration.

4.9. 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.

4.10. Organization of Saga. Saga is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware.

4.11. Saga Stock. At the Closing, the shares of Saga Stock issued to Seller hereunder shall be free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges and restrictions of any kind or nature whatsoever other than transfer restrictions under federal and state securities laws. Saga shall have full power to issue the shares of Saga Stock to Seller without obtaining the consent or approval of any other person or governmental authority other than the New York Stock Exchange.

4.12. Reports. Saga has timely filed all reports and other information required under Section 13(a) or 15(d) of the Securities Exchange Act of 1934 ("Reports"), if any, that are required to be filed by it with applicable regulatory authorities, and the facts and other information contained in such Reports contain no untrue statement of a material fact or omit to state a material fact necessary to make the facts and other information contained in such Reports, in light of the circumstances under which they were made, not misleading.

4.13. No Violation of Saga Agreements, Charter, etc. The consummation of the transactions contemplated by this Agreement will not result in or constitute a conflict, violation, breach or default under any agreement or contract to which Saga may be a party, the articles of incorporation and bylaws of Saga.

4.14. Authority of Saga. All corporate proceedings of Saga (including without limitation, any required shareholder approvals) necessary to authorize the performance of its obligations (including the guaranty of the performance of Seller's obligations under this Agreement) and the consummation of the transactions contemplated by this Agreement have been, or prior to the Closing will be, duly and validly taken and completed.

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 fifteen (15) 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.

(a) 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 rehearing, 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.

(b) Seller shall have obtained and delivered to Buyer the consents of third parties to those contracts listed on Schedule 1.1(a)(iv) which require consent to permit the valid transfer to Buyer of all Subject Assets.

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) Except for changes expressly implemented by or at the written request of Buyer, each of 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) Intentionally omitted.

(c) The Real Estate Leases (or memoranda thereof) shall have been executed by Seller and each landlord and duly recorded with the recorder's office in the jurisdiction where the property is located.

(d) 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.

(e) 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 Stations, (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 radio 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.

(f) Buyer shall have received the opinion in the form set forth in Schedule 6.2 (f), dated the Closing Date, of McSweeney & Crump PC, counsel to the Seller.

(g) Buyer shall have received the opinion in the form set forth in Schedule 6.2 (g), dated the Closing Date of special communications counsel to Seller.

The opinions referred to in paragraphs (f) and (g) above may be subject to certain customary qualifications, including without limitation, that the enforceability of obligations under any agreement or document is subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights and remedies of creditors generally. Such opinions shall also provide that Buyer's lenders may rely upon them.

(h) Seller shall have delivered to Buyer a Certificate of W. Bradford Eure, as President of the Seller, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraph (a) of this Section 6.2.

(i) Seller shall have delivered to Buyer a certificate dated as of the Closing Date, executed by W. Bradford Eure, as President of the Seller, certifying (i) that the resolutions, as attached to such certificate, authorizing and approving the execution and delivery of the Seller Agreements and the consummation of the transactions contemplated hereby, were duly adopted by the Board of Directors and Stockholders of Seller; (ii) that such resolutions have not been

amended and remain in full force and effect; and (iii) as to the incumbency of each signatory of the Seller Agreements executed by Seller.

(j) Buyer shall have received the following (the cost of which items shall be borne as set forth hereafter):

(i) At Buyer's cost for the Real Estate, a commitment to issue title insurance, covering Seller's ownership or leasehold interest in all of the Real Estate, which shall guarantee such title to be in the condition called for by this Agreement, shall otherwise be reasonably satisfactory to Buyer, shall not contain any non-standard general exceptions, shall contain exceptions only for those liens and encumbrances set forth on Schedule 1.5 which are designated to continue after the Closing (except for mortgages, judgments or other liens which will be satisfied out of the proceeds of the sale of the Subject Assets hereunder), and shall show no rights of occupancy or use by third parties, no encroachments, no gaps in the chain of title and no violations of any applicable zoning or other ordinance, statute, rule or regulation (it being understood, however, that Buyer shall pay for the title insurance premiums).

(ii) At Buyer's cost, an ALTA/ACSM Class A Land Title Survey with respect to the Real Estate which does not reveal any fact or condition which has not been disclosed to Buyer in this Agreement and which is otherwise reasonably satisfactory to Buyer; and

(iii) At Buyer's cost, one or more Phase I environmental site assessments (the "Environmental Site Assessments") for each parcel of Real Estate (for tower sites only) performed by a recognized environmental engineering firm and in accordance with a scope of services reasonably satisfactory to Buyer which evidences that there is neither noncompliance with Environmental Requirement nor any basis for suspecting such noncompliance and which is otherwise reasonably satisfactory to Buyer.

(k) Seller shall have provided to Buyer evidence satisfactory to Buyer demonstrating the satisfaction of all expenses, liabilities and obligations of the Seller to persons and entities doing business with the Stations.

(l) W. Bradford Eure shall have executed an employment letter in form and substance satisfactory to Buyer.

(m) Seller shall cause any Persons receiving Saga Stock pursuant to Section 1.3(b)(ii) to execute and deliver to Saga a side letter containing representations and warranties in form and substance satisfactory to Buyer.

(n) The Stations' broadcast cash flow for the twelve (12) calendar months immediately preceding the Closing Date shall not be less than \$1,500,000 (the "Broadcast Cash Flow"). Such Broadcast Cash Flow to be determined in accordance with generally accepted accounting principles.

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 Sections 1.3(c) and 1.7, less the Post-Closing Escrow.

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

(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 a senior 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) 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) the operation of the Stations prior to the Closing Date, including, without limitation, for any breach or default prior to the Closing Date by Seller under any of the Assumed Contracts; (iii) any liability of Seller not specifically assumed by Buyer hereunder, and (iv) any environmental condition, or alleged noncompliance with any Environmental Requirements by reason of any state of facts existing prior to the Closing Date, regardless of whether such condition or noncompliance continues after the Closing Date; and (v) any other matter or event respecting Seller which occurs prior to the Closing Date and which is not specifically assumed under this Agreement.

(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 Stations (i) prior to the Closing Date and which have been assumed by the Buyer hereunder; and (ii) subsequent to the Closing Date (other than those arising out of contracts, commitments, or agreements of Seller not specifically assumed by Buyer).

(c) Except as specifically set forth in this Agreement, in no event shall the indemnification obligations of either Seller or Buyer exceed \$1,000,000. Any amounts owed by either party under this Section 7.1 shall bear interest from the date demand for payment thereof is made until payment in full at a rate of eight (8%) per annum or such lower rate as equals the maximum rate permitted by applicable law.

SECTION 8. COVENANTS OF SELLER FOLLOWING CLOSING

(a) Noncompetition. During the period commencing on the Closing Date through the second anniversary of the date thereof, Seller will not directly or indirectly through one or more intermediaries, either as partner or sole proprietor, or as an employee, agent, officer, director, shareholder or consultant, engage in the ownership or operation of any radio station, radio network, radio programming service or business similar to that in which the Buyer (and its affiliates) are currently engaged anywhere within a 50 mile radius of Charlottesville, Virginia.

(b) COBRA. Seller shall be responsible for satisfying any and all obligations under the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), to provide continuation coverage to or with respect to all employees and their beneficiaries (to whom COBRA is applicable) as a result of any "qualifying event" as defined in Section 4980B of the Code and Section 603 of ERISA occurring on or before the Closing Date.

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 two (2) years; provided, however, that the representations and warranties of Seller contained in Sections 2.5, 2.9, 2.11, 2.15 and 2.17 of this Agreement shall survive the Closing until the expiration of any applicable statute of limitations. Notwithstanding the foregoing, Seller agrees that the provisions of Section 8(a) shall survive the Closing for two (2) years and the provisions of Section 8(b) shall survive the Closing in accordance with applicable laws.

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>A/R Payment</u>	Section 1.3(c)
<u>Assignment Application</u>	Section 3.1
<u>Assumed Contracts</u>	Section 1.1(a)(iv)
<u>Assumed Trade-Out Agreements</u>	Section 1.1(a)(iv)
<u>Assumption Agreement</u>	Section 1.5(c)
<u>Broadcast Cash Flow</u>	Section 6.2(n)
<u>Buyer</u>	Preamble
<u>Buyer Agreements</u>	Section 4.2
<u>CERCLA</u>	Section 2.16(g)
<u>CERCLIS</u>	Section 2.16(f)
<u>Closing</u>	Section 1.4
<u>Closing Date</u>	Section 1.4
<u>COBRA</u>	Section 8(b)
<u>Construction Permit</u>	Section 3.6
<u>Cut-Off Time</u>	Section 1.7(a)
<u>Deposit</u>	Section 1.3(a)
<u>Enforceability Exception</u>	Section 2.3
<u>Environmental Notice</u>	Section 2.17(d)
<u>Environmental Requirements</u>	Section 2.17(g)
<u>Environmental Site Assessments</u>	Section 6.2(j)(iii)

<u>Escrow Agent</u>	Section 1.3(a)
<u>Escrow Agreement</u>	Section 1.3(a)
<u>Excluded Property</u>	Section 1.1(b)
<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(a)
<u>Financial Statements</u>	Section 2.8
<u>Hazardous Materials</u>	Section 2.17(h)
<u>Licenses</u>	Section 1.1(a)(ii)
<u>Other Station Contracts</u>	Section 1.1(a)(iv)
<u>Owned Real Estate</u>	Section 1.1(a)(iii)
<u>Post-Closing Escrow</u>	Section 1.3(b)
<u>Proceedings</u>	Section 2.12
<u>Purchase Agreement</u>	Section 3.6
<u>Purchase Price</u>	Section 1.3
<u>RCRA</u>	Section 2.16(g)
<u>Real Estate</u>	Section 1.1(a)(iii)
<u>Real Estate Leases</u>	Section 1.1(a)(iii)
<u>Reports</u>	Section 4.12
<u>Saga</u>	Section 2.19
<u>Saga Stock</u>	Section 1.3(b)(ii)

<u>Seller</u>	Preamble
<u>Seller Agreements</u>	Section 2.2
<u>Stations</u>	Recitals
<u>Subject Assets</u>	Section 1.1(c)
<u>Tangible Assets</u>	Section 1.1(a)(i)
<u>TOSCA</u>	Section 2.17(g)
<u>Trade-Out Agreements</u>	Section 1.1(a)(iv)
<u>Transfer Instruments</u>	Section 1.5(a)

SECTION 11. MISCELLANEOUS

11.1. Fees and Expenses.

(a) All costs incurred in connection with obtaining lien and title searches, lien releases, mortgage releases, deed recordation, as well as transfer and documentation taxes shall be borne by Seller. All escrow costs and 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 Commonwealth of Virginia.

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 M. Bruce Stokes, Esq., McSweeney & Crump, P.C., 11 South Twelfth Street, Richmond, VA 23218.

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 Stations or upon the occurrence of any other event which materially impairs broadcast transmissions of the Stations in the normal and usual manner and substantially in accordance with the respective FCC Licenses of the Stations, 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 Stations 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 Stations to Buyer unless, in Buyer's reasonable judgment, the damage to the Stations could materially adversely affect the operations of the Stations 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 and, upon such termination, the Deposit and the earnings thereon shall be paid to Buyer pursuant to the Escrow Agreement. The foregoing notwithstanding, if any damage to the business or property of Seller requires any Station to be taken off the air or if broadcast transmissions of any Station in accordance with the applicable FCC Licenses is interrupted for any other reason or if any Station is operated at less than its maximum licensed aural effective operating power, in any such case for a total of ninety-six (96) hours (whether or not consecutive) then Buyer may terminate this Agreement upon written notice to Seller without any further obligation to either party and, upon such termination, the Deposit and the earnings thereon shall be paid to Buyer.

(c) In the case of any damage or destruction to the Subject Assets, 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 and if not so purchased, the Deposit and the earnings thereon shall be paid to Buyer pursuant to the Escrow Agreement. 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.

(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 agrees that with Seller's 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 Stations. 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's 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 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 its 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 Escrow Agreement, 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.

[The Next Page is the Signature Page]

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.

EURE COMMUNICATIONS INC.

By: BEure
Name: W BRADFORD EURE
Title: President

CHARLOTTESVILLE COMMUNICATIONS, LLC

By: _____
Samuel D. Bush, Treasurer

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.

EURE COMMUNICATIONS INC.

By: _____
Name:
Title:

CHARLOTTESVILLE COMMUNICATIONS, LLC

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

List of Schedules

<u>Schedule Number</u>	<u>Title</u>
1.1(a)(i)	Schedule of Tangible Assets
1.1(a)(ii)	Schedule of Licenses
1.1(a)(iii)	Schedule of Real Estate
1.1(a)(iv)	Schedule of Contracts
1.1(a)(vi)	Schedule of Intangible Assets
1.1(b)	Schedule of Excluded Property
1.2	Schedule of Accounts Payable
1.5	Schedule of Encumbrances
2.6	Schedule of Tax Matters
2.8	Schedule of Financial Statements
2.9	Schedule of Insurance
2.12	Schedule of Litigation
2.17	Schedule of Environmental Matters
6.2(f)	Form of Opinion of Seller's General Counsel
6.2(g)	Form of Opinion of Seller's FCC Counsel