

FACILITIES OWNERSHIP TRANSFER AND AMENDMENT AGREEMENT

This Facilities Ownership Transfer and Amendment Agreement (the "Agreement") is made and entered into this 5th day of September, 2008, by and among Radio Stations WPAY/WPFB, Inc., an Ohio corporation ("WPAY"), WPAY Tower, LLC, a Delaware limited liability company ("Towerco"), Franklin Communications, Inc., a Delaware corporation ("Franklin") licensee of Station WJZK(FM), licensed to Richwood, Ohio ("WJZK") and Saga Communications, Inc. ("Saga") (Franklin, Towerco and Saga being collectively referred to as the "Saga Parties").

WHEREAS, WPAY is the licensee of WPAY-FM, operating on Channel 281C as a full Class C commercial FM station licensed to Portsmouth, Ohio, pursuant to a license ("License") (File No. BLH-20060921ADI) granted by the Federal Communications Commission ("FCC");

WHEREAS, Franklin is the licensee of WJZK and desires to improve the facilities thereof;

WHEREAS, Saga is the ultimate parent of Franklin;

WHEREAS, WPAY and Franklin entered into a Facilities Improvement Agreement dated as of January 19, 2007 (as amended through the date hereof, the "Improvement Agreement"), whereby WPAY cooperated with Franklin by filing a modification application, as amended (FCC File No. BPH- 20070119ACD) ("Amended Modification Application") with the FCC to modify its license to operate WPAY-FM on Channel 281C-0 contingent upon the grant of an application (FCC File No. BPH- 20070119ACO) to relocate WJZK from Richwood, OH, to West Jefferson, OH ("WJZK Improvement Application").

WHEREAS, Franklin and WPAY have agreed to cooperate to permit Franklin to amend the WJZK Improvement Application to specify a preferred site for WJZK and WPAY must amend the Amended Modification Application to render it contingent with a fourth application filed by the licensee of WCVO(FM), Gahanna, OH, in order to carry out Franklin's proposal;

WHEREAS, Towerco is the owner of the communications tower and certain associated facilities and fixtures located at NL 38 degrees, 40 minutes, 59.9 seconds, WL 83 degrees, 00 minutes, 45.3 seconds (NAD 1983) which are in the vicinity of Southshore, Kentucky as described on **Exhibit A** (collectively, the "Facility") located on real property leased by WPAY; and

WHEREAS, the Improvement Agreement provided that Towerco would retain ownership of the Facility and in turn lease it to WPAY, but the parties have changed their plans and now contemplate that ownership of the Facility shall be conveyed to WPAY pursuant to this Agreement;

WHEREAS, WPAY, excepted as noted below, is satisfied with its inspection of the Facility and has requested that Towerco transfer ownership of the Facility pursuant to the terms of this Agreement; and

NOW THEREFORE, for good and valuable consideration exchanged by the parties and hereby acknowledged, and for the mutual covenants and agreements set forth herein, WPAY and Franklin hereby agree as follows:

1. **Improvement Agreement.** The parties acknowledge and agree that the Improvement Agreement is superseded in its entirety by the terms of this Agreement. Without limiting the foregoing, the parties acknowledge and agree that no further payment obligations are owed by any party under the Improvement Agreement except as specifically provided under this Agreement.

2. **WPAY Filings.** WPAY agrees diligently to continue to prosecute the Amended Modification Application so as to obtain from the FCC a grant of a Class C-0 construction permit that will permit the grant of the WJZK Improvement Application. WPAY agrees further to promptly respond to all FCC inquiries concerning the Amended Modification Application and to promptly provide to the FCC any requested information and to file such amendments to the Amended Modification Application necessary to obtain a grant specifying Class C-0 facilities with an effective radiated power of 100 kilowatts and the maximum antenna height for such facilities at that power. WPAY further agrees, upon request and coordination by Franklin, to promptly amend the Amended Modification Application simultaneous with (a) Franklin's amendment to the WJZK Improvement Application (b) an amendment to an application filed by Franklin's station WQEL (FM), Bucyrus, OH, and (c) an amendment to an application (FCC File No. BPH-20070209ABB) filed by Christian Voice of Central Ohio, Inc., licensee of WCVO(FM), Gahanna, OH, which will permit Franklin to utilize its preferred transmitter site for WJZK (these applications are referred to herein as the "Contingent Applications"). The amendment to the Amended Modification Application shall specify the same facilities as the Amended Modification Application, but shall acknowledge the filing of simultaneous amendment of the Contingent Applications. Upon grant of the Amended Modification Application, WPAY agrees (i) to cooperate with Franklin to promptly construct the WPAY-FM Class C-0 facilities, it being agreed by all parties that such facilities shall operate with an effective radiated power of 100 kilowatts at the maximum antenna height for such facilities at that power; (ii) upon completion of construction and repairs pursuant to Section 4(b)(iii), to promptly initiate program tests as a Class C-0 station and (iii) to promptly file an application for license to cover the Class C-0 facilities in coordination with Franklin's initiation of program tests and subsequent filing of a license to cover the WJZK Improvement Application. WPAY agrees to comply with any and all reasonable conditions that may be imposed on the construction permit received as a result of the Amended Modification Application, provided that such conditions do not materially alter the WPAY-FM Class C-0 facilities and signal coverage specified in the Amended Modification Application pending as of the date of this Agreement or cause the licensed effective radiated power of the WPAY-FM Class C-0 facilities to be less than 100 kilowatts.

3. **Consideration.** Upon execution of this Agreement, Towerco agrees to convey to WPAY all of its right, title and interest in and to the Facility pursuant to a Bill of Sale in the form attached hereto as **Exhibit B** and to pay WPAY the sum of . in immediately available

funds. Towerco represents and warrants that it has good and marketable title, free and clear of liens, security interests and any other encumbrances whatsoever other than those in favor of WPAY as the lessee of the real property upon which the Facility is located. Further, Towerco shall convey to WPAY all of Towerco's rights under manufacturers' and vendors' warranties relating to the Facility and all other rights against third parties relating to the Facility to the extent transferable. WPAY acknowledges that it (i) has inspected the Facility, (ii) is not relying on any other warranties, expressed or implied, of Towerco (other than manufacturers and vendors' warranties being assigned by Towerco to WPAY as referenced above, documentation of which manufacturers and vendors' warranties, to the extent available, shall be provided to WPAY on or before September 22, 2008) with respect to the condition of the Facility, and (iii) except as provided in Sections 4(a) & (c) (iii) below, is accepting ownership of the Facility "as is".

4. Expenses. Each party shall bear its own fees and expenses in connection with the transactions contemplated by this Agreement, provided, however, that Franklin agrees to: (a) pay WPAY the sum of _____ to correct the deficiencies noted in the Quality Antenna Service and dated August 1, 2008; (b) pay directly the cost of (i) modifying and relocating the WPAY-FM antenna to meet the requirements of Class C-0 facilities operating an effective radiated power of 100 kilowatts and the maximum antenna height for such facilities at that power, including, but not limited to the cost of replacement of the current WPAY-FM antenna if it is determined such replacement is necessary and (ii) the cost of complying with the directional requirements of the license to cover the WPAY-FM Class C-0 facilities and (c) pay directly or, at the sole option and convenience of WPAY, to reimburse WPAY from time to time (i) reasonable legal and engineering fees and expenses incurred by WPAY in connection with the preparation of this Agreement and modification of the Facility pursuant to this Agreement; (ii) all associated FCC filing fees, and (iii) necessary repairs to the Facility solely arising from the replacement, modification and/or relocation of the WPAY-FM antenna to meet the requirements of Class C-0 facilities or a failure of the lighting system (excluding replacement of lights), provided that WPAY provides notice to Franklin of the need for such repairs not later than the first anniversary of the filing date of the application for a license to cover the Class C-0 facilities.

5. Termination. This Agreement may be terminated as follows:

(a) by Franklin, in the event that WPAY is in material breach of any of the covenants contained in this agreement (provided that Franklin has given WPAY notice thereof and opportunity to cure such breach within 15 business days of such notice); or

(b) by WPAY, in the event that Franklin is in material breach of any of the covenants contained in this agreement (provided that WPAY has given Franklin notice thereof and opportunity to cure such breach within 15 business days of such notice); or

(c) by either party, upon thirty (30) days notice to the other party, in the event that the Contingent Applications, to include the Amended Modification Application, are not granted by the fifth (5th) anniversary of the date of this Agreement; provided, however, upon such termination, WPAY shall have no obligation to recovery to the Facility to any of the Saga

Parties or their assigns or to repay the sums paid to WPAY pursuant to Section 3 of this Agreement.

6. Further Agreements. WPAY agrees that any and all documents, filings, statements and instruments to be executed, delivered and/or filed in connection with this Agreement, shall be in form and substance satisfactory to Franklin, and that WPAY, at Franklin's expense, shall take all such further actions reasonably requested by Franklin to consummate the transactions contemplated by this Agreement. Franklin and Towerco agree to execute and deliver, for no additional consideration, such further documents, filings, statements and instruments as WPAY may reasonably request to effectuate at the purposes of this Agreement, including, but not limited to, documentation of the conveyance of the Facility and the rights specified herein to WPAY.

7. Assignment and Guarantee. Neither party shall have the right to assign its rights and obligations under this Agreement in whole or in part without the prior written consent of the other party, except that either party may assign its rights and obligations under this Agreement, without the other party's prior written consent, to any subsidiary, parent company or affiliate of the assigning party, or to a successor-in-interest in the event Franklin assigns the license of WJZK to a third party or WPAY assigns the license of WPAY-FM to a third party, pursuant to FCC consent, so long as any such affiliate or assignee assumes all rights and obligations under this Agreement; provided, however, no such assignment shall relieve the assignor of the rights and obligations set forth in this Agreement. Under all circumstances, Saga shall guarantee the timely fulfillment of all obligations of the Saga Parties under this Agreement.

8. Severability. If any term or provision of this Agreement is determined to be void, unenforceable or contrary to law, the remainder of this Agreement shall continue in full force and effect provided that such continuation would not materially diminish the benefits of this Agreement for either party.

9. Entire Agreement. This Agreement sets forth the entire understanding of the parties hereto at the time of execution and delivery thereof with respect to the subject matter hereof and may not be amended except by written amendment signed by both parties. All prior agreements between the parties with respect to the subject matter hereof, including without limitation the Improvement Agreement, shall be of no further force or effect. The undersigned each represent and warrant that each has the requisite authority to bind their respective parties to the terms and obligations of this Agreement.

10. Specific Performance. If any party breaches its obligations under this Agreement, the other party shall each have the right to seek injunctive relief and/or specific performance. The breaching party agrees to waive any defense as to the adequacy of the other party's remedies at law and to interpose no opposition, legal or otherwise, to the propriety of injunctive relief or specific performance as a remedy.

11. Counterparts. This agreement may be signed in counterparts with the same effect as if the signature on each counterpart were on the same instrument.

12. **Governing Law.** This Agreement shall be governed by and construed according to the laws of the State of Delaware, specifically excluding its choice-of-laws provisions.

13. **Notices.** All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be deemed duly given on the next business day if sent by overnight delivery, and on the third (3rd) business day if sent by registered or certified mail, postage prepaid, addressed as follows:

(a) **If to WPAY:** Radio Stations WPAY/WPFB, Inc.
Douglas L. Braden, President
4505 Central Avenue
Middletown, Ohio 45044

with copy to: Matthew McCormick, Esq.
Fletcher, Heald & Hildreth, P.L.C.
1300 North 17th Street, 11th Floor
Arlington, VA 22209

(b) **If to Franklin,
Towerco
or Saga:** c/o Saga Communications, Inc.
Samuel D. Bush, Treasurer
73 Kercheval Avenue
Grosse Pointe Farms, MI 48236
Fax: (313) 886-7150

with copy to: Sarah N. A. Camougis, Esq.
Edwards Angell Palmer & Dodge, LLP
111 Huntington Avenue
Boston, MA 02199
Fax: (617) 227-4420

or any such other addresses as the parties may from time to time designate in writing.

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

FRANKLIN COMMUNICATIONS, INC.

By: _____
Samuel D. Bush, Treasurer

RADIO STATIONS WPAY/WPFB, INC.

By: Douglas L. Braden - Pres
Douglas L. Braden, President

WPAY TOWER, LLC

By: _____
Samuel D. Bush, Treasurer

SAGA COMMUNICATIONS, INC.

By: _____
Samuel D. Bush, Treasurer

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

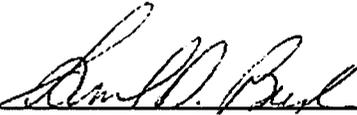
FRANKLIN COMMUNICATIONS, INC.

By: _____
Samuel D. Bush, Treasurer

RADIO STATIONS WPAY/WPFB, INC.

By: _____
Douglas L. Braden, President

WPAY TOWER, L.L.C

By:  _____
Samuel D. Bush, Treasurer

SAGA COMMUNICATIONS, INC.

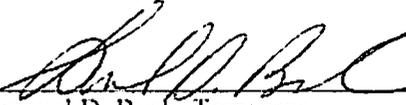
By:  _____
Samuel D. Bush, Treasurer

EXHIBIT A

WPAY Portsmouth Transmission Plant Inventory -Items/services (at 1/26/2007) TRANSMISSION EQUIPMENT

BE FM30T transmitter w/FX-50 xciter and various spares
RF Patch panel, 4 port Myat 3 1 /8"
Internal line, Myat, (2) 10' of 3 1 /8" rigid line, (4) 3 1 /8" elbows, (7) 3 1 /18" coupling assemblies, (5) flange adapters, (2) inner connectors
Dummy Load, Altronics 6735E, 35 kW Air Cooled
(2) Phasemasters (inc. w 30T), T-1 2000-A 115 Amp
Equipment rack, WRK37SA27 stand-alone with rear door
Audio Proc, Orban 8500
STL System (WPAY old site to new site), Armstrong XLINK 10 W STL Transmitter, Armstrong XLINK Frequency Agile STL Receiver
Remote Control system, Sine RFC1 RAK and one RP8 relay panel
Mod Monitor, TFT 884 with noise cancelling headphone
RF Wattmeter, Bird 3126A Wattcher RF Monitoring system w 3 1 /8" line section, 3 kW and 30 kW elements

Building

18'x24' block shelter and foundation
Thermostatic control venting system
Main Electrical distribution
(2) Phasemaster I/O switches. (1) 92255 400A 2 pole DPDT, (1) 82354 200A 3PDT
Utility service

Tower/Antenna/Transmission Line

ERI GBX171220' guyed
ERI MP-12C-DA-HW antenna and associated directional proof
1246' Andrew 4" HJ-11 50 transmission line and appropriate hangers, ground kits and connectors
Tower Lighting, Flash Technology High Intensity
Freight and Sales tax (inc. w tower)
(2) Scala PR950 STL dish antennae and mounting kits
(2) 100' sections Andrew LDF4-50A, 1 /2" foam dielectric Heliax for STL w connectors, grounding kits and hangers
Foundation

Land Improvement

GeoTech borings
Road improvement/Site staging
Chain Link Fencing at guys and property entrance

Legal/Consulting/Planning

Aeronautical evaluations

NEPA

RF Engineering

FCC Applications

Survey/site plan

302 antenna installation

certifications

Equipment Installation

Temp generator (lighting during installation)

Electrician Labor/materials

Engineer Labor

Site Security during build, 15 nights

Misc Equipment and Materials

EXHIBIT B

BILL OF SALE

This BILL OF SALE is made as of September 5, 2008 by and among WPAY Tower, LLC, a Delaware limited liability company ("Assignor") and WPAY/WPFB, Inc., an Ohio corporation ("Assignee").

WHEREAS, Assignor and Assignee are parties to that certain Facilities Ownership Transfer and Amendment Agreement (the "Agreement"), pursuant to which Assignor has agreed to transfer and assign, and Assignee has agreed to acquire and accept the Facility. Capitalized terms used herein, unless separately defined herein, shall have the meanings ascribed to them in the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in further consideration of the mutual promises and covenants contained in the Agreement, Assignor hereby conveys, transfers, assigns and delivers to Assignee, good and marketable title to the Facility, free and clear of liens, security interests and any other encumbrances whatsoever other than those in favor of WPAY as the lessee of the real property upon which the Facility is located and all of Assignor's rights under manufacturers' and vendors' warranties relating to the Facility and all other rights against third parties relating to the Facility to the extent transferable.

This Bill of Sale shall be binding upon Assignor, its successors and assigns, and shall inure to the benefit of the Assignee, its successors and assigns.

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

IN WITNESS WHEREOF, Assignor and Assignee have caused this Bill of Sale to be executed by its duly authorized officer as of the day and year first above written.

Assignor:

WPAY TOWER, LLC

By: _____

Name: Samuel D. Bush

Title: Treasurer

Assignee:

WPAY/WPFB, INC.

By: _____

Name: *Douglas D. Braden*

Title: *PRES. - WPAY/WPFB, INC.*

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IN WITNESS WHEREOF, Assignor and Assignee have caused this Bill of Sale to be executed by its duly authorized officer as of the day and year first above written.

Assignor:

WPAY TOWER, LLC

By: 
Name: Samuel D. Bush
Title: Treasurer

Assignee:

WPAY/WPFB, INC.

By: _____
Name:
Title: