

SUB-TIME BROKERAGE AGREEMENT

for

WOXL(FM), BILTMORE FOREST, NORTH CAROLINA

Between

ASHVILLE RADIO PARTNERS, LLC

And

SAGA COMMUNICATIONS OF NORTH CAROLINA, LLC

SUB-TIME BROKERAGE AGREEMENT

THIS SUB-TIME BROKERAGE AGREEMENT (the "Agreement") dated as of November 1, 2002, by and between ASHVILLE RADIO PARTNERS, LLC ("Broker"), and SAGA COMMUNICATIONS OF NORTH CAROLINA, LLC ("Saga").

WHEREAS, Liberty Productions, a Limited Partnership ("Licensee") is authorized to construct and operate Commercial FM Radio Station WOXL (Facility ID No. 37242) on Channel 243C3 at Biltmore Forest, North Carolina ("Station") pursuant to a Construction Permit (File No. BPH-19870831MI) issued by the Federal Communications Commission ("Commission" and/or "FCC");

WHEREAS, Licensee and Broker are parties to that certain Time Brokerage Agreement ("Ashville TBA") executed in February 2002 whereby Broker provides programming for the Station;

WHEREAS, Saga desires to provide programming ("Programming") for broadcast by Licensee, subject to the terms and conditions of the Ashville TBA, that is in conformity with Station policies and procedures, FCC policies for time brokerage arrangements, and the provisions hereof;

WHEREAS, Saga agrees to broadcast such Programming of its selection that is in conformity with all rules, regulations and policies of the FCC and subject to Licensee's full authority to control the operation of the Station;

WHEREAS, Saga and Broker agree to cooperate to make this Agreement work to the benefit of the public and both parties and as contemplated in this Agreement; and

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, agree as follows:

WITNESSETH:

1. Program Time; Performance of Ashville TBA. During the term of this Agreement, Broker agrees to make all broadcasting time on the Station that is available to Broker pursuant to the Ashville TBA available to Saga and use its best efforts to cause to be broadcast Saga's programs under the direction and supervision of the Licensee, through its general manager or his/her delegates subject to the terms of the Ashville TBA and in accordance with the Station Programming Policy Statement set forth in the Attachment II of the Ashville TBA. Except for Sections 2, 9 (Indemnification and Warranty) and 10 of the Ashville TBA, as of the Effective Date and during the term of this Agreement, by execution of the Consent to Sub-Time

Brokerage Agreement dated as of November 1, 2002, Licensee has agreed to accept Saga's performance of Broker's obligations and Saga agrees to perform Broker's obligations of the Ashville TBA. Saga's obligations under this Agreement shall be performed for the benefit of Broker or Licensee, as appropriate under the circumstances. By executing the Consent to Sub-Time Brokerage Agreement dated as of November 1, 2002, Licensee has agreed that its obligations under the Ashville TBA shall be performed for the benefit of Broker or Saga, as appropriate under the circumstances, and further grants Saga a license to enter and utilize the Station's studio premises to the extent necessary to carry out the terms of this Agreement.

2. Payments; Right to Cure; Covenants; Representations and Warranties; Covenants.

2.1. In addition to any additional fees and/or expense reimbursements that may be payable by Saga to Broker, Saga shall pay Broker a monthly fee that is sufficient to cover the Monthly Fee owed by Broker to Licensee under the Ashville TBA. Broker agrees to, in turn, pay the Monthly Fee to Licensee as provided by the terms of the Ashville TBA.

2.2. Right to Cure. If Broker fails to fulfill its obligation to pay the Monthly Fee to Licensee under and in accordance with Ashville TBA, Saga shall have the right to fulfill Broker's obligation on Broker's behalf and Broker shall, upon demand, reimburse Saga for all amounts paid by Saga to Licensee that were owed by Broker to Licensee.

2.3. Representations and Warranties; Covenants of Broker. Broker represents, warrants, covenants and agrees, as applicable, that:

(a) The Ashville TBA is in full force and effect and is a valid and binding obligation enforceable in accordance with its terms, and neither Broker nor Licensee is in default in any material respect in their performance of their obligations thereunder.

(b) The representations of Broker and, to the best of Broker's knowledge, Licensee set forth in Section 12 of the Ashville TBA are true and correct as of the date hereof.

(c) It will not waive, amend or modify any provision of the Ashville TBA without the prior written consent of Saga.

(d) It will notify Saga of any failure on the part of Broker to perform any of its material obligations under the Ashville TBA not delegated to Saga under this Agreement, any alleged failure by Broker to perform or observe any of its material obligations under the Ashville TBA not delegated to Saga under this Agreement, or any material dispute between Broker and

Licensee arising out of the Ashville TBA or any other material agreement between Broker and Licensee.

3. Effective Date and Term.

3.1 Effective Date. This Agreement shall be effective on November 1, 2002 (the "Effective Date").

3.2 Term. This Agreement shall be for a term commencing on the Effective Date and ending on the later of (i) the fifth anniversary of the Effective Date (as defined in the Ashville TBA) of the Ashville TBA, or (ii) one (1) year following the date on which the Construction Permit (as defined in the Ashville TBA) for the Station has become final and no longer subject to judicial appeal or further consideration by the FCC, unless earlier terminated pursuant to Section 4 of this Agreement.

4.0 Events of Default; Cure Periods and Remedies. The following shall, after the expiration of the applicable cure periods, constitute Events of Default:

- a. Non-Payment. Saga's failure to pay the consideration provided for in Paragraph 2.1 hereof;
- b. Default in Covenants or Adverse Legal Action. (i) The default by Broker or Saga in the material observance or performance of any material covenant, condition or agreement contained herein, and after notification, such party has failed to cure such alleged breach, or (ii) if Saga or Broker shall make general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee or creditor representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within ninety (90) days thereof;
- c. Breach of Other Agreements. If Broker or Saga has breached, and after notification, has failed to cure such alleged breach under (i) the Time Brokerage Agreement dated as of November 1, 2002, between Saga and Broker with respect to programming of WISE(AM)(the "WISE TBA"), (ii) the Lease Agreement ("Saga Lease") covering Saga's lease of the WISE studio and offices, or (iii) any other material agreement between Saga and the Broker.

- d. Breach by Broker of Agreements with Licensee. If Broker has breached, and after notification from Licensee, has failed to cure such alleged breach under the (i) the Ashville TBA or (ii) any other material agreement between Broker and Licensee, provided, however, the terms and conditions of each of those documents shall govern what constitutes breach, notice and cure periods under each respective document.
- e. Breach by Licensee of Agreements with Broker. If Licensee has breached, and after notification from Broker, has failed to cure such alleged breach under the (i) the Ashville TBA or (ii) any other material agreement between Broker and Licensee, provided, however, the terms and conditions of each of those documents shall govern what constitutes breach, notice and cure periods under each respective document.
- f. FCC's order. The FCC's order granting the construction permit (FCC File No. BPH-19870831 MI) for the Station to Licensee does not become a Final Order (as hereafter defined) on or before November 1, 2004. For purposes of this Agreement, "Final Order" means an order of the FCC with respect to which no appeal, no petition for re-hearing, reconsideration, or stay, and no other administrative or judicial action contesting such consent or approval is pending before the FCC or any court and as to which the time for filing any appeal, petition or other action has expired, or if filed, has been denied, dismissed, or withdrawn and the time for instituting further legal proceedings has expired.

4.1 Cure Periods. An Event of Default under this Agreement shall not be deemed to have occurred until twenty (20) business days after the nondefaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default and specifying the action necessary to cure the Default within such period. This period may be extended for a reasonable period of time, if the defaulting party is acting in good faith to cure the default and such default is not materially adverse to the other party.

4.2. Termination Upon Default. Upon the occurrence of an Event of Default under Section 4(a), 4(b), 4(c) or 4(d), the nondefaulting party may terminate this Agreement provided that it is not also in material default hereunder. Upon the occurrence of an Event of Default under Section 4(e) or 4(f), Saga may terminate this Agreement provided that it is not also in material default hereunder. If Saga has defaulted in the performance of its obligations under this Agreement, Broker shall be under no further obligation to make available to Saga any further

broadcast time or broadcast transmission facilities and all amounts accrued or payable to Licensee up to the date of termination which have not been paid shall immediately become due and payable. If Broker has defaulted in the performance of its obligations under this Agreement, Saga may terminate this Agreement. In addition to these remedies, either party has the right to collect monetary damages for failure to perform the obligations under this Agreement or under the Ashville TBA, to the extent applicable. In the event this Agreement is terminated pursuant to an Event of Default, and the net operating income (revenue minus direct operating expenses) of the Station and WISE taken as a whole is less than the level of net operating income of the Station and WISE taken as a whole as of the commencement of this Agreement, Saga shall indemnify Broker to the extent of such diminution for a period of up to six (6) months from the date of termination, provided, however, that in no event shall Saga be required to indemnify Broker pursuant to this subparagraph for an amount in excess of one million dollars (\$1,000,000).

4.3 Liabilities Upon Termination. Following termination, Saga shall be responsible for all liabilities, debts and obligations of Saga based upon the purchase of air time and use of Licensee's transmission facilities including, without limitation, accounts payable, barter agreements and unaired advertisements, but not for Licensee's federal, state and local income and business franchise tax liabilities or taxes levied upon Licensee's real estate or personal property after termination.

4.4 Specific Performance. In addition to either party's right of termination hereunder (and in addition to any other remedies available to that party), in the event of an uncured Event of Default, either party may seek specific performance of this Agreement, in which case the other party shall waive the defense in any such suit that the other party has an adequate remedy at law and shall interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy hereunder.

4.5 Termination Upon Order of Governmental Authority. In the event that a federal, state or local government authority orders the termination of this Agreement and/or the curtailment in any manner material to the relationship between the parties hereto of the provision of programming by Saga hereunder, the parties will seek administrative and/or judicial relief from such order(s). In the event the parties are not successful in obtaining relief from such order(s), Saga shall pay to Broker or Licensee, as applicable, any fees due but unpaid as of the date of termination as may be permitted by such order(s), Broker shall cooperate reasonably with Saga to the extent permitted to enable Saga to fulfill advertising or other programming contracts then outstanding, in which event either Broker shall receive as compensation for the carriage of such programming that which otherwise would have been paid to Saga hereunder. Thereafter, neither Saga nor Broker shall have any liability to the other party under this Agreement except as may be provided pursuant to Paragraph 5 of this Agreement.

5. Indemnification Warranty.

5.1 Saga Indemnification. Saga will indemnify and hold Broker harmless against all liability for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the broadcast of programming furnished by Saga pursuant to this Agreement. Further, Saga warrants that the broadcasting of its programs will not violate any rights of others and Saga agrees to hold Broker, the Station and their employees, harmless from any and all claims, damages, liability, costs and expenses, including reasonable attorney's fees, arising from the broadcasting of such programs except for such claims, damages, liability, costs and expenses (including reasonable attorney's fees) arising from the broadcasting of Broker's or Licensee's programs pursuant to the Ashville TBA. Saga acknowledges that pursuant to the Ashville TBA, Licensee reserves the right to refuse to broadcast any and all programs containing matter which is, or in the reasonable opinion of Licensee may be, or which a third-party claims to be, violative of any right of theirs or which may constitute a personal attack as the term is defined by the Commission. Saga's obligation to hold Broker harmless against the liabilities specified above shall survive any termination of this Agreement until the expiration of all applicable statutes of limitation.

5.2 Broker Indemnification. Broker shall indemnify and hold Saga harmless against all liability for libel, slander, illegal competition or trade practices, infringement of trademarks, trade names or program titles, violations of rights of privacy and infringement of copyrights and proprietary rights resulting from programming furnished by Licensee or Broker under Ashville TBA or otherwise. Further, Broker warrants that the broadcasting of Broker's or Licensee's programs will not violate any rights of others and Broker agrees to hold Saga harmless for any loss, damage or injury of any kind, including reasonable legal fees and related costs arising from the broadcast of programming on the Station furnished respectively by Broker or Licensee under the Ashville TBA or otherwise. Broker's obligation to hold Saga harmless against the liabilities specified above shall survive any termination of this Agreement until the expiration of the applicable statute of limitations.

5.3 Procedure. Neither Saga nor Broker shall be entitled to indemnification pursuant to this Section 5 unless such claim for indemnification is asserted in writing, delivered to the other party, together with a statement as to the factual basis for the claim and the amount of the claim. The party making the claim (the "Claimant") shall make available to the other party (the "Indemnitor") the information relied upon by the Claimant to substantiate the claim. With respect to any claim by a third party as to which the Claimant is entitled to seek indemnification hereunder, the Indemnitor shall have the right at its own expense to participate in or assume control of the defense of the claim, and the Claimant shall cooperate fully with the

Indemnitor, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant at the request of the Indemnitor. If the Indemnitor does not elect to assume control or participate in the defense of any third party claim, it shall be bound by the results obtained by the Claimant with respect to the claim.

6. Notices. All necessary notices, demands and requests permitted or required under this Agreement shall be in writing and shall be deemed given when delivered, whether personally or by certified mail or overnight courier, postage prepaid, with return receipt requested, and addressed as follows:

If to Broker:

Edward F. Seeger
John Melko
Ashville Radio Partners, LLC
1311 Chuck Dawley Blvd., Suite 202
Mt. Pleasant SC 29464
Fax No: (843) 881-4436

with a copy to

Mark Lipp
Shook Hardy & Bacon LLP
Hamilton Square
600 14th Street, N.W., Suite 800
Washington, DC 20005-2004
Fax No. (202) 783-4211

If to Saga:

Samuel D. Bush
C/O Saga Communications, Inc.
73 Kercheval Avenue
Grosse Pointe Farms, MI 48236
Fax No: (313) 886-7150

with a copy to

Gary S. Smithwick, Esq.
Smithwick & Belendiuk, P.C.
5028 Wisconsin Avenue, N.W.
Suite 301
Washington, DC 20016
Fax No. (202) 363-4266

And

Stephen O. Meredith, Esq.
Edwards & Angell
101 Federal Street
Boston, MA 02110
Fax No. (617) 439-4170

7. Authority; Modification and Waiver.

(a) Each of the Broker and Saga represents and warrants to the other that it has all the requisite power and authority to execute, deliver and perform this Agreement and that all necessary action to authorize the execution, delivery and performance by such person of this Agreement.

(b) No modification of any provision of this Agreement shall in any event be effective unless the same shall be in writing and then such modification shall be effective only in the specific instance and for the purpose for which given.

8. Construction. This Agreement shall be interpreted, construed, and enforced under and in accordance with the laws of the State of North Carolina and the obligations of the parties hereof are subject to all federal, state and local laws and regulations now or hereafter in force and to the rules, regulations and policies of the Commission and all other government entities or authorities presently or hereafter to be constituted.

9. Headings. The headings contained in this Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.

10. Assignability. Neither Broker nor Saga may assign this Agreement without the prior written consent of the other party, provided however, that Saga may assign this Agreement as a matter of right to an affiliate of Saga. By signing the Consent to Sub-Time Brokerage Agreement dated as of November 1, 2002, Licensee has specifically consented to the

delegation by Broker, and assumption by Saga, of certain obligations of Broker set forth in the Ashville TBA.

11. Counterpart Signature. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the original or the same counterpart.

12. Entire Agreement. This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties or understandings, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like written instrument executed by an authorized principal.

13. No Partnership or Joint Venture Created. Nothing in this Agreement shall be construed to make Broker and Saga partners or joint venturers or to afford any rights to any third party other than as expressly provided herein.

14. Invalidity. If any provision of this Agreement or the application thereof to any person or circumstances shall be held invalid or unenforceable to any extent, the parties shall negotiate in good faith and attempt to agree on an amendment to this Agreement that will provide the parties with substantially the same rights and obligations, to the greatest extent possible, as the original Agreement in valid, binding and enforceable form.

15. Severability. In the event any provision contained in this Agreement is held to be invalid, illegal or unenforceable, such holding shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

16. Certification -- FCC Rules. Pursuant to Section 73.3555(a)(3)(ii) of the FCC's rules, the parties certify as follows:

- (i) By executing the attached Consent to Sub-Time Brokerage Agreement dated as of November 1, 2002, Licensee has continued to certify that it shall at all times maintain ultimate control of the Station's facilities, including specifically control over Station finances, personnel and programming.
- (ii) Saga certifies that this Agreement complies with the provisions of Section 73.3555(a)(1) of the FCC's rules.

17. Confidentiality. Neither party shall disclose the terms of this Agreement to any third party, except when such disclosure is required by law.

18. Attorney's Fees and Expenses. In the event of any dispute arising under this Agreement, the prevailing party shall be entitled to its reasonable attorney's fees incurred in connection therewith and all related costs and expenses.

19. Jurisdiction and Venue. The parties agree that this Agreement and the transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of North Carolina. Any judicial proceedings brought to enforce or construe this Agreement or relating to any matter arising hereunder shall be brought in a appropriate state or federal court of competent jurisdiction, having jurisdiction over Buncombe County, North Carolina, which courts shall have exclusive jurisdiction and venue.

[Signatures on Next Page]

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

ASHVILLE RADIO PARTNERS, LLC

By _____
Edward F. Seeger,
Managing Member

**SAGA COMMUNICATIONS OF NORTH
CAROLINA, LLC**

By Samuel D. Bush
Samuel D. Bush
Treasurer

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

ASHVILLE RADIO PARTNERS, LLC

By 
Edward F. Seeger,
Managing Member

SAGA COMMUNICATIONS OF NORTH CAROLINA, LLC

By _____
Samuel D. Bush
Treasurer

CONSENT TO SUB-BROKERAGE

Liberty Productions, a Limited Partnership ("Liberty"), permittee of WOXL(FM), Biltmore Forest, North Carolina, and party to a Time Brokerage Agreement by and between Liberty and Asheville Radio Partners, LLC ("Broker"), dated February 21, 2002 (the "Time Brokerage Agreement"), hereby consents to the sub-brokerage of program time on WOXL(FM) by Broker to Saga Communications of North Carolina, LLC ("Saga"), pursuant to the terms of the Sub-Time Brokerage Agreement, dated as of November 1, 2002, by and between Broker and Saga (the "Sub-Brokerage Agreement").

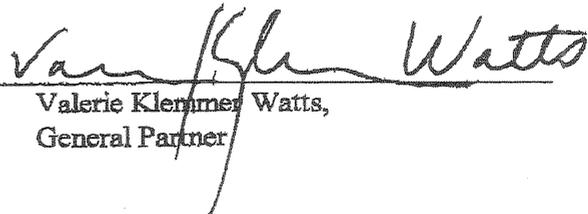
Liberty agrees to accept the performance by Saga of certain of Broker's rights and obligations under the Time Brokerage Agreement; provided that Broker shall continue to remain liable for and assure the performance of all of its obligations under the Time Brokerage Agreement, including any which it may have delegated to Saga under the Sub-Brokerage Agreement.

Liberty agrees that it will continue to perform its obligations under the Time Brokerage Agreement for the benefit of Broker and Saga, including without limitation, those certain non-delegable functions required of an FCC licensee under a time brokerage arrangement.

Signed and dated this 1st day of November, 2002.

**LIBERTY PRODUCTIONS,
A LIMITED PARTNERSHIP**

By


Valerie Klemmer Watts,
General Partner