

## PURCHASE OPTION AGREEMENT

This Purchase Option Agreement, made and entered into this 24<sup>th</sup> day of April, 2006, by and between **MATHEWSON BROADCASTING COMPANY**, a Missouri corporation ("MBC"), **SEDALIA INVESTMENT GROUP, LLC.**, a Missouri limited liability company ("SIG"), **MATHEWSON-FISCHER REALTY PARTNERSHIP**, a Missouri general partnership ("MFRP") (collectively, "Sellers") and **BENNE BROADCASTING OF SEDALIA, LLC** ("Option Holder")

### WITNESSETH THAT:

WHEREAS, MBC is the licensee of Station KDRO, Facility ID 40662, Sedalia, Missouri, SIG is the licensee of Station KPOW-FM, Facility ID 78321, La Monte, Missouri (the "Stations"), and MFRP owns the studio and transmitter sites used in the operation of the Stations;

WHEREAS, Sellers and Option Holder have entered into a Local Marketing Agreement (the "LMA") with respect to the Stations of even date herewith; and

WHEREAS, as an additional inducement for Option Holder to enter into the LMA, Sellers have agreed to grant Option Holder an exclusive and irrevocable option to purchase the Stations and the real property used in the operation of the Stations pursuant to the terms set forth herein.

NOW, THEREFORE, in consideration of premises and the payment to Sellers of the Option Price specified herein, the parties, intending to be legally bound, agree as follows:

#### 1. Grant of Option.

In consideration of the payment to Sellers of the Option Price specified in Section 2 hereof, Sellers hereby grant Option Holder an exclusive and irrevocable option (the "Option") to purchase all of assets used and useful in the operation of the Stations and to acquire the FCC licenses for the Station on the terms and conditions set out in the Asset Purchase Agreement ("Purchase Agreement") attached as Attachment A hereto. The Option shall be exercisable by Option Holder any time after January 1, 2007 and on or before May 1, 2011 and shall expire 5:30 p.m. CDT on May 1, 2011 (the "Expiration Date"). If Option Holder fails to exercise the Option on or before the Expiration Date, or the LMA is terminated as a result of any fault or failure on the part of the Option Holder (Broker) as specified in Section 5 of the LMA, then the Option shall lapse and Option Holder shall have no right to purchase the Stations pursuant to this Agreement.

## **2. Option Price.**

Upon execution of this Agreement, Option Holder shall pay to Sellers in immediately available funds as consideration for the Option the sum of Two Hundred Fifty Thousand Dollars (\$250,000) (the "Option Price"). The Option Price will be immediately refunded to Option Holder upon the occurrence of any of either of the following events: (i) termination of this Agreement due to a material breach by Owner of its obligations under this Agreement or the LMA, or (ii) following exercise of the Option, final action by the FCC denying an application for consent to an assignment of the FCC authorizations for the Station from Owner to Option Holder for reasons entirely unrelated to either (a) the qualifications of Option Holder to become the licensee of the Station or (b) the failure of Option Holder to perform its obligations under the Purchase Agreement. In all other events, the Option Price will be non-refundable.

## **3. Exercise of Option.**

Option Holder may exercise the Option by written notice to Sellers as provided in Section 16 hereof. The notice of Option Holder's exercise of the Option shall be accompanied by (i) a executed copy of the Purchase Agreement executed by Option Holder, and (ii) a certified or cashier's check for One Hundred Thousand Dollars (\$100,000.00) (the "Downpayment"). Within five (5) days of receiving the notice of the exercise of the option and the executed Purchase Agreement Sellers and Option Holder will join in electronically filing an application on FCC Form 314 requesting the FCC's consent to the assignment of the Stations' licenses to Option Holder. Thereafter, Sellers and Option Holder shall take all actions necessary or appropriate to complete the transaction provided for in the Purchase Agreement as expeditiously as possible. The parties will cooperate fully in completing any aspect of the Purchase Agreement such as, by way of limited example, the Schedules referenced at Paragraphs 2.1, 2.2 and 2.3 of the Purchase Agreement. In the event that the Purchase Agreement is terminated for any reason other than a material default thereunder by Option Holder, the Downpayment shall immediately be returned to Option Holder.

## **4. Assignment.**

Option Holder may assign all of its rights and obligations hereunder to any corporation, partnership, or other business entity under his control. Sellers may assign their rights and obligations hereunder only in connection with a so-called pro forma assignment of license or transfer of control of the Stations that has been approved by the Federal Communications Commission ("FCC") on FCC Form 316 or like replacement form if the assignee or transferee agrees in writing to assume, be bound by, and comply with all of the terms of the LMA and this Agreement. Neither party may otherwise assign this Agreement except with the consent of the other party, which consent will not be unreasonably withheld. Subject to the foregoing, this Agreement

shall be binding upon, and shall inure to the benefit of the parties hereto and their respective successors and permitted assignees.

#### **5. FCC Consent.**

Option Holder and Sellers each acknowledge that the exercise of the Option and acquisition of the Stations by Option Holder is subject to the prior consent of the FCC. Nothing contained herein shall give Option Holder the right, directly or indirectly, to control, supervise, or direct the operation of the Stations unless and until the required prior FCC consent has been obtained.

#### **6. Mutual Representations and Warranties.**

Option Holder and Sellers represent and warrant that they are legally qualified, empowered and able to enter into this Agreement, that the execution, delivery and performance hereof shall not constitute a breach or violation of their articles of incorporation, articles of organization or by-laws or of any agreement, contract or other obligation to which they are subject or by which they are bound and that they have had the benefit of legal advice with respect to this Agreement.

#### **7. Brokerage.**

Sellers represent to Option Holder and Option Holder represents to Sellers that they have not employed any broker or finder in connection with the Transaction and agree to indemnify the other party and hold it harmless against any claim from any broker or finder based upon any agreement, arrangement, or understanding alleged to have been made by Sellers or Option Holder, as the case may be.

#### **8. Attorneys' Fees.**

If either party invokes the dispute resolution procedures referred to in Section 14 hereof, or initiates litigation involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees incurred by the prevailing party in respect of that disputes resolution process or litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

## **9. Counterparts.**

This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

## **10. Entire Agreement; Amendment.**

This Agreement, including the attachment hereto, and the LMA collectively embody the entire agreement and understanding of the parties relating to the matters that are the subject of this Option and such other agreements and supersede any and all prior agreements, arrangements, and understandings relating to matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by the parties.

## **11. Headings.**

The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

## **12. Governing Law.**

The obligations of Sellers and Option Holder are subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. The construction and performance of this Agreement will be governed by the laws of the State of Missouri, excluding the choice of law rules utilized in that jurisdiction.

## **13. Option Holder's Right to Specific Performance.**

Sellers agree and acknowledge that the Stations' assets consist of unique property that cannot be readily obtained on the open market, that the damages Option Holder would suffer if Sellers were to breach their obligation to sell the Stations to Option Holder on the terms set out in the Purchase Agreement following exercise of the Option are not readily susceptible to being measured in monetary terms, and that, consequently, Option Holder would be irreparably injured if its rights under this

Agreement were not specifically enforced. Therefore, Option Holder shall have the right, if it is not in material default in its obligations hereunder or under the LMA, specifically to enforce its rights to acquire the Stations pursuant to the Option and Sellers agree to waive the defense in any such suit that Option Holder has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

#### **14. Disputes Resolution.**

Except for Option Holder's right to enforce its rights under the Option by specific performance, if any dispute arises as to the interpretation or enforcement of this Agreement, the parties agree to use their best, good faith, efforts to resolve the dispute between themselves. If, despite such efforts, the dispute is not resolved within thirty (30) days, the parties agree to resolve the dispute pursuant to the disputes resolution procedures set out in Section 7 of the LMA, which provisions are incorporated herein by reference, and they further agree that any decision arrived at under those procedures shall be binding upon them and enforceable in a court of law.

#### **15. Notices.**

Any notice, demand, or request required or permitted to be given under the provisions of the Agreement shall be in writing and shall be deemed to have been duly delivered on the date of personal delivery or on the date of delivery by email with a "read receipt" or other confirmation of delivery, or on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, and shall be deemed to have been received on the date of personal delivery or on the date set forth on the email read receipt or postal return receipt, to the following addresses, or to such other address as a party may request:

To Sellers: Mathewson Broadcasting Company  
Sedalia Investment Group, LLC  
Mathewson-Fischer Realty Partnership  
906 Thompson Blvd., Sedalia, Mo. 65301  
Email: fischer308@hotmail.com  
Attn: Adam Fischer

With a copy that shall not constitute notice to:

To Option Holder: Benne Broadcasting Company  
160 Highway 42  
Kaiser, MO 65047  
Email: [dennybenne@yahoo.com](mailto:dennybenne@yahoo.com)  
Attn: Denny Benne

With a copy that shall not constitute notice to:

David Tillotson, Esq.  
4606 Charleston Terrace, N.W.  
Washington, DC 20007-1911  
Email: [dtlaw@starpower.net](mailto:dtlaw@starpower.net)

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as set forth in this Section shall be deemed ineffective.

#### **16. Expenses.**

All expenses incurred in connection with this Agreement or the related agreements referred to herein shall be paid by the party incurring those expenses whether or not the Option is exercised or the Transaction provided for in the Purchase Agreement is consummated.

#### **17. Termination.**

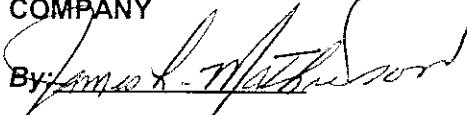
In addition to other remedies available at law or equity, this Agreement may be terminated by either Sellers or Option Holder upon termination of the LMA as a consequence of a material breach thereof by the other party which breach has not been cured within the applicable cure period, if any.

[Signatures appear on the following page]

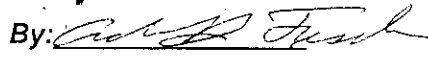
IN WITNESS WHEREOF, the parties have executed this Purchase Option Agreement as of the date first written above.

**SELLERS:**

**MATHEWSON BROADCASTING  
COMPANY**

By:   
Title: President

**SEDALIA INVESTMENT GROUP, LLC.**

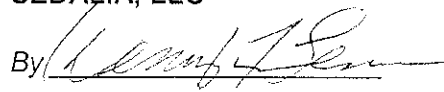
By:   
Title: Manager

**MATHEWSON-FISCHER REALTY  
PARTNERSHIP**

By:   
Title: General Partner

**OPTION HOLDER**

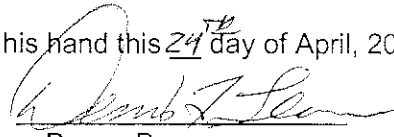
**BENNE BROADCASTING OF  
SEDALIA, LLC**

By:   
Title: Manager

**PERSONAL GUARANTEE:**

Comes now Denny Benne, and in order to induce Sellers to enter into the foregoing Purchase Option Agreement does hereby personally guarantee all obligations of Benne Broadcasting of Sedalia, LLC, Option Holder, to the Sellers, under the agreement. Denny Benne does further state that he has significant economic interest in Benne Broadcasting of Sedalia, LLC, Option Holder, and will therefore derive substantial economic benefit from the acceptance of this agreement by Sellers.

IN WITNESS WHEREOF, the party has set his hand this 24<sup>TH</sup> day of April, 2006.

  
Denny Benne