

EXECUTION COPY

OPTION AGREEMENT

This Option Agreement (this "*Option*") is made and entered into as of July 1, 2022, by and between by and between Brothers Broadcasting Corporation, an Indiana corporation ("*Licensee*"), and Touhyville Media Inc., an Indiana corporation ("*Touhyville*").

RECITALS

WHEREAS, Licensee holds certain assets (the "*Station Assets*"), including licenses and other authorizations (the "*FCC Licenses*") issued by the Federal Communications Commission ("*FCC*"), used exclusively in the operation of full power radio stations WIBN(FM), Earl Park, Indiana (FCC Facility ID No. 28200), WLQI(FM), Rensselaer, Indiana (FCC Facility ID No. 7309), and WRIN(AM), Rensselaer, Indiana (FCC Facility ID No. 7308), and FM translator station W283CO, Rensselaer, Indiana (FCC Facility ID No. 142578) (the four stations collectively referred to herein as the "*Stations*"); and

WHEREAS, Licensee wishes to grant to Touhyville and Touhyville wishes to acquire from Licensee an option to purchase the Station Assets, including the FCC Licenses; and

WHEREAS, Licensee and Touhyville have entered into that certain Local Marketing Agreement of even date herewith (the "*LMA*"), pursuant to which Touhyville will provide certain programming and administrative services to the Stations;

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

1. **Grant of Option.** Licensee hereby grants to Touhyville an exclusive and irrevocable right and option to purchase the Station Assets, including the FCC Licenses, for the purchase price set forth in Section 5 below, payable by wire transfer of immediately available funds as set forth herein and subject to the terms and conditions of an Asset Purchase Agreement substantially in the form of Exhibit A hereto (the "*Purchase Agreement*").

2. **Term of Option.** The term of the Option shall begin on July 1, 2022, the Effective Date under the LMA (the "*LMA Effective Date*") and shall continue until June 30, 2032 (the "*Term*"), unless the Option automatically expires as set forth in Section 4 hereof or is earlier terminated as set forth in Section 7 hereof.

3. **Exercise of Option.** Touhyville may exercise the Option by sending written notice to Licensee as provided herein at any time during the Term of the Option on or before 12/31, 2031.

4. **Consideration for Grant of Option.** In consideration for grant of the Option, Touhyville shall make the Advance Payment and the Monthly Payments (as defined in the LMA). The Advance Payment and all Monthly Payments shall be made by wire transfer of

immediately available funds and shall be applied to the Purchase Price under the Purchase Agreement. For avoidance of doubt, payment of the Expense Reimbursement (as defined in the LMA) shall not be applied to the Purchase Price under the Purchase Agreement. Any failure by Touhyville to make the Advance Payment and/or the Monthly Payments on the date specified shall result in an automatic expiration of the Option and shall entitle Licensee to immediately terminate the LMA. Notwithstanding anything in this Agreement or the LMA to the contrary, the Advance Payment and the Monthly Payments shall not be refundable under any circumstances, including a termination or automatic expiration of this Option in accordance with its terms or a termination of the LMA or Purchase Agreement in accordance with their terms.

5. **Option Purchase Price.** Upon exercise of the Option, the purchase price for the Station Assets shall be (the "***Purchase Price***"), subject to the terms and conditions of the Purchase Agreement. The Advance Payment (as defined in the LMA) and the Monthly Payments (but not the payment of the Station Expenses or Lease Payments) to the extent paid at the time of exercise of the Option, shall be collectively applied to the Purchase Price, and the remainder of the Purchase Price shall be paid at the closing of the Purchase Agreement.

6. **Representations and Warranties of Licensee.** Licensee hereby represents and warrants to Touhyville that Licensee has full power and authority to enter into and grant this Option to Touhyville; this Option constitutes a legal, valid, and binding obligation of Licensee, enforceable in accordance with its terms and does not constitute a default under or violation of any applicable law or regulation, or any judgment, decree, order, agreement, lease or other instrument to which Licensee is a party or by which it or its properties is legally bound.

7. **Termination of Option due to Material Default under LMA.** If the LMA has been terminated by Licensee due to an uncured Event of Default (as defined in the LMA) under the LMA by Touhyville, Licensee shall have the right to terminate this Option.

8. **Operation of the Stations during Term of Option.** During the Term of this Option, Licensee shall continue to control, supervise and direct the operation of the Stations, subject to the LMA and the rules, regulations and policies of the FCC.

9. **Confidentiality.** Licensee and Touhyville shall consult with each other concerning any public release of information concerning the grant or exercise of this Option; Licensee shall file this Option with the FCC as required by FCC rules. Both parties shall keep confidential all information obtained from the other, except to the extent necessary to consult with its financial advisers, accountants, lawyers, and investors, and upon the expiration or termination of this Option without the exercise, each will promptly return to the other the originals of, and destroy all copies of, all documents provided to it.

10. **Notices.** Any notice pursuant to this Option shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally-recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

If to Broker: Touhyville Media Inc.  
522 E Vine St.  
Rensselear, Indiana 47978  
Attention : Steve Touhy  
Email: [stevetouhy@brothersbroadcasting.com](mailto:stevetouhy@brothersbroadcasting.com)

with a copy (which shall not constitute notice) to:

[INSERT]

If to Licensee: Brothers Broadcasting Corporation  
560 W Amsler Rd.  
Rensselear, Indiana 47978  
Attention: John Balvich  
Email: [johnb1560wrin@gmail.com](mailto:johnb1560wrin@gmail.com)

with a copy (which shall not constitute notice) to:

Lerman Senter PLLC  
2001 L Street, NW  
Suite 400  
Washington, DC 20036  
Attn: F. Scott Pippin  
Tele: (202) 416-1081  
Email: [spippin@lermanscenter.com](mailto:spippin@lermanscenter.com)

11. **Assignment.** Touhyville may assign this Option and the rights and obligations hereunder to any entity that is controlled, directly or indirectly, by Touhyville. Subject to the foregoing, this Option shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and assignees, and shall not create any rights or benefits for or in any other parties.

12. **Exclusive Dealings.** For so long as this Option remains in effect, subject to Section 4 and Section 7 hereof, neither Licensee nor any person acting on Licensee's behalf shall solicit or initiate any offer from, or conduct any negotiations with, any person or entity concerning the acquisition of the Stations by any person or entity other than Touhyville or its permitted assignees.

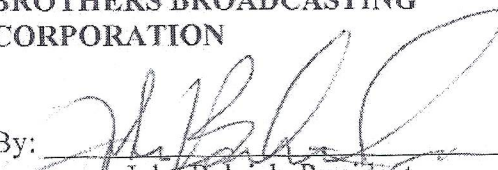
13. **Governing Law.** This Option shall be governed by, and construed and enforced in accordance with the laws of, the State of Indiana, without regard to the choice of law rules utilized in that jurisdiction, except to the extent governed by Federal communications law.

14. **Counterparts.** This Option may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully


executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.


IN WITNESS WHEREOF, Licensee and Touhyville have caused their duly authorized representatives to execute this Option as of the date first written above.

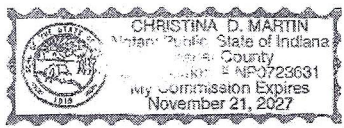
**BROTHERS BROADCASTING CORPORATION**

By:   
John Balvich, President

**TOUHEYVILLE MEDIA INC.**

By:   
Steve Touhy, President

 CHRISTINA D. MARTIN  
County of Jasper  
10/30/22



Schedule 1.5 – Advance Payment, Monthly Payment; Station Expenses; Lease Payment

Advance Payment:

Monthly Payment:

Reimbursement of Station Expenses

In addition, Broker shall reimburse (the "*Expense Reimbursement*") Licensee for all costs and expenses associated with the operation of the Stations ("*Station Expenses*") accruing on or after the LMA Commencement Date. Licensee shall be responsible for all Station Expenses accruing prior to the LMA Commencement Date. If Licensee receives an invoice for any Station Expense that straddles the Term and any period beginning or ending before or after the Term, then to the extent that the expense is not clearly allocable to periods before or after the Term, such expense shall be prorated between Licensee and Broker on the basis of the number of days elapsed. The Expense Reimbursement (i) is estimated to be approximately \$ \_\_\_\_\_ /month; and (ii) shall be due and payable on the 15<sup>th</sup> of each month during the Term. Station Expenses in the Expense Reimbursement include but are not limited to the following:

- (a) all personal and real property taxes and other taxes and other costs incident for the Stations' transmitter sites, transmitters, and buildings located at the transmitter site;
- (b) all engineering, maintenance and repair costs for the Stations' transmission equipment and facilities, including the antenna(s), transmitter(s) and transmission line(s);
- (c) all utility costs (telephone, electricity, water, etc.) relating to the transmitting sites, transmitters and antennas, and the cost of any telephone lines maintained by Licensee for the Stations' offices;
- (e) all costs of insurance with respect to the Stations' properties, operations and equipment;
- (e) all costs of repairs or replacements as are necessary to maintain full-time operation of the Stations with maximum authorized facilities following the occurrence of any loss or damage in excess of applicable insurance coverage less deductibles;
- (f) all costs and expenses, including but not limited to salaries and benefits, associated with the employees employed by Licensee as set forth in Section 3.1;
- (g) all FCC regulatory fees (subject to increase based on annual FCC regulatory

fee schedule) and filing fees with respect to applications or other filings relating to the Stations;

(h) all of Licensee's expenses under ASCAP, BMI, SESAC, GMR and/or SoundExchange, as required by such organizations. Licensee will advise ASCAP, BMI, SESAC, GMR and/or SoundExchange that the Stations are being operated on a time brokerage basis; and

(i) all other usual and ordinary expenses of operation of the Stations incurred by Licensee consistent with past practices, except as affected by operation under this LMA.

Annual Expense True-Up:

At the end of each 12-month period during the Term, Licensee shall provide Broker with an annual statement showing the actual expenses incurred during the prior 12-month period and the amount paid to Licensee by Broker during such period (with reasonable detail including back-up invoices). Within thirty (30) days of receipt of such annual statement, Broker shall pay Licensee or Licensee shall pay Broker, as the case may be, the overage or shortfall of actual expenses vs. estimated expenses.

Lease Expenses:

per month, due and payable in advance on the first business day of the month during the Term hereof, such expenses to cover:

- i. Land for WRIN tower
- ii. Land for WLQI tower
- iii. The main studio/schoolhouse

**SCHEDULE 2.2.1  
PROGRAM STANDARDS**

Programmer agrees to cooperate with Licensee in the broadcasting of programs in a manner consistent with the standards of Licensee, as set forth below:

1. Political Programming and Procedures. At least 90 days before the start of any primary or general election campaign, Programmer will clear with Licensee's General Manager the rate that Programmer will charge for time to be sold to candidates for public office and/or their supporters to make certain that the rate charged conforms to all applicable laws and the Stations' policies. Throughout a campaign, Programmer will comply with all applicable laws and rules concerning political candidacy broadcasts and will promptly notify Licensee's General Manager of any disputes concerning either the treatment of or rate charged a candidate or supporter.

2. Required Announcements. Programmer shall broadcast, on the Stations, an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Stations, and any other announcement that may be required by the Rules or the Stations' policy.

3. Commercial Recordkeeping. Programmer shall maintain such records of the receipt of, and provide such disclosure to Licensee of any consideration, whether in money, goods, services, or otherwise, which is paid or promised to be paid, either directly or indirectly, by any person or company for the presentation of any programming over the Stations as are required by Sections 317 and 507 of the Act and by the Rules.

4. No Illegal Announcements. No announcements or promotion prohibited by federal or state law or regulation of any lottery, game or contest shall be made over the Stations. Any game, contest or promotion relating to or to be presented over the Stations must be fully stated and explained in advance, and such explanation be presented to Licensee, which reserves the right, in its reasonable discretion to reject any game, contest or promotion.

5. Indecency, Hoaxes. No programming violative of applicable laws and rules concerning indecency or hoaxes will be broadcast over the Stations.

6. Controversial Issues. Any broadcast over the Stations concerning controversial issues of public importance shall comply with the Rules.

7. Credit Terms Advertising. Pursuant to the rules and regulations of the Federal Trade Commission, any advertising of credit terms shall be made over the Stations in accordance with all applicable federal and state laws.