

## KZIA, INC. Shareholders' Agreement

THIS AGREEMENT IS MADE between the undersigned shareholder(s) of KZIA, Inc. (hereinafter, "Shareholder"), and KZIA, Inc., an Iowa corporation (hereinafter "KZIA"), effective upon the date written below.

WITNESSETH:

WHEREAS, there is a very limited market for the shares of KZIA; and

WHEREAS, KZIA desires to provide all KZIA shareholders with a definite market for their shares; and

WHEREAS, KZIA desires to provide continuity of ownership and management of KZIA; and

WHEREAS, KZIA desires an exclusive option to purchase all of Shareholder's shares of KZIA, upon Shareholder's death; and

WHEREAS, Shareholder agrees to grant said exclusive option upon the terms and conditions provided herein.

NOW THEREFORE, in consideration of ten cents (\$0.10) for each of share of KZIA owned by Shareholder and other good and valuable consideration, it is agreed as follows:

A. GRANT OF OPTION. Shareholder hereby grants to KZIA the exclusive, irrevocable right and option to purchase all of Shareholder's shares of KZIA owned at Shareholder's death (the "Shares"), whether now owned or subsequently acquired, according to the terms and conditions set forth in this Agreement (the "Option"). KZIA agrees to pay Shareholder ten cents (\$0.10) for each share of KZIA now owned by Shareholder, as consideration for this Option, within ten (10) days following the date on this Agreement.

B. PURCHASE PRICE. If KZIA exercises the Option as provided herein, the purchase price of the Shares (the "Purchase Price") shall be determined as follows:

The Purchase Price, in the event of the exercise by KZIA shall be \$35.00 per share prior to and including March 15, 2010 (hereinafter the "KZIA Floor Price"). In the event such option shall not be exercised, the purchase price by the Shareholders under Section D hereof through March 15, 2010 shall be \$40.00 per share (the "Shareholder Floor Price")

After March 15, 2010, KZIA's year-end Net Adjusted Broadcast Cash Flow (as hereinafter defined) for each year through the end of the year preceding the year of the Shareholder's death, divided by the number of outstanding shares, will be added to the Floor Price to determine the Purchase Price. In no event, however, will the option price be reduced below the KZIA Floor Price or the Shareholder Floor Price, as the case may be.

The term "Net Adjusted Broadcast Cash Flow" is hereby defined as the excess of net sales from broadcast operations before any interest, income taxes, depreciation and amortization, reduced by distributions to shareholders for such year.

C. EXERCISE DATE.

1. When Shareholder dies, KZIA shall have the exclusive right to acquire the Shares. KZIA shall exercise this Option within sixty (60) days following Shareholder's death. If the Shares shall be owned by a husband and wife, the Option shall be exercisable upon the death of the survivor of such husband and wife.

2. KZIA shall exercise the Option by giving Notice to Shareholder's personal representative within the time limits prescribed. The notice shall state a date and time for closing which shall not be later than forty-five (45) days after the date of such written notice. KZIA shall pay the Purchase Price to Shareholder's personal representative at the time of closing.

Shareholder's personal representative shall deliver certificates representing the Shares together with stock powers duly endorsed in blank to KZIA at the time of closing, together with such additional documentation regarding such personal representative's authority as KZIA may reasonably require.

3. In the event KZIA declines to exercise the Option created by this Agreement, it shall give notice to Shareholder's personal representative and all KZIA shareholders of record. Such notice shall be given within sixty (60) days following the date of Shareholder's death.

D. OTHER SHAREHOLDERS' OPTION.

1. In the event KZIA declines to exercise the Option, then, and only then, the KZIA shareholders of record shall have the right to acquire such portion of the Shares as desired for the Shareholder Price. Each shareholder of record who desires to acquire all or a portion of the Shares owned by Shareholder for the Shareholder Price shall give Notice to Shareholder's personal representative and to KZIA of the number of shares desired to be acquired. Such notice shall be given not later than thirty (30) days after KZIA gives Notice to Shareholder's personal representative and all shareholders of record that it will not exercise the Option.

2. In the event the KZIA shareholders of record collectively seek to acquire more shares than Shareholder owned at his death, the shareholders will be able to purchase the percentage of available shares equal to the percentage of shares they own out of the total shares owned by shareholders attempting to exercise this Option.

E. COVENANT OF SHAREHOLDER(S). Shareholder(s) covenant and agree to cause KZIA to be promptly notified following Shareholder(s) death so that the provisions of this Agreement may be timely implemented. If any distributions to Shareholders shall be made between the date of death and the date KZIA learns of Shareholder's death (whether by notice

from Shareholder's personal representative or otherwise, the Purchase Price shall be calculated as of Shareholder's death and reduced by any distributions to Shareholder made subsequent thereto.

F. NOTICES. Notices under this Agreement shall be in writing and sent by registered or certified mail, return receipt requested, postage paid.

Notices to KZIA shall be sent to: KZIA, Inc. 1110 26<sup>th</sup> Avenue Southwest, Cedar Rapids, IA 52404-3430.

Notices to Shareholder and all other shareholders shall be sent to their last known address as reflected by the books of KZIA.

G. SEVERABILITY. The various provisions of this Agreement are severable from each other and from the other provisions of the Agreement, and in the event that any provision in this Agreement shall be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be fully effective, operative and enforceable.

H. NO ENCUMBRANCES. All Shares shall be free of any and all liens and encumbrances and accompanied by stock powers duly endorsed in blank at the time of closing. Shareholder shall not make any agreement with respect to the Shares which would impair Shareholder's ability to perform this Agreement.

I. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, administrators, successors and assigns.

J. GOVERNING LAW. This Agreement shall be governed by the law of the State of Iowa.

K. ENTIRE AGREEMENT. This instrument contains the entire agreement of the parties and may be changed only by an agreement in writing signed by KZIA and Shareholder.

L. COUNTERPARTS. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument.

M. ACCEPTANCE. When accepted, this Agreement shall become a binding contract. This Agreement may be accepted by Shareholder by signing, dating and delivering it to KZIA. Delivery may be effected by mailing this executed Agreement to the address listed in paragraph F, above, on or before 5 p.m. on April 24, 2009 or personally delivering it to the annual meeting to be held at 122 S. Linn St., Iowa City, IA 52240 at 5 p.m. on April 24, 2009, such delivery to be made not later than 6:00 p.m. If not accepted by Shareholder and delivered to KZIA in either of the ways and within one of the time periods provided above, this Agreement shall be null and void.

The parties hereto executed this Agreement on the dates set forth below.

SHAREHOLDERS

KZIA, INC.

Signature: Robert K. Norton, Jr. By: Julie Hein  
Print Name: ROBERT K. NORTON, JR. Name/Title: Julie Hein, VP  
Date: 4/13/09 Date: 5.7.09

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

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