

## SHAREHOLDERS AGREEMENT

This Agreement made this 21 day of August, 2007 between Hayward L. Talley, individually and as trustee of the Hayward L. Talley Declaration of Trust dated November 24, 1987, as amended or restated, Emma C. Talley, individually, and as trustee of the Emma C. Talley Declaration of Trust dated November 24, 1987, as amended or restated, Brian C. Talley and Kevin M. Talley (collectively, the shareholders of Talley Broadcasting Corp. (WSMI), a Delaware Corporation), hereinafter Shareholders, and Talley Broadcasting Corp., a Delaware Corporation, hereinafter called WSMI.

The Shareholders own all of the outstanding shares of the capital stock of WSMI, and desire the stock to remain closely held in order to promote harmonious management of the corporation's affairs.

In consideration of the above and of the mutual covenants herein contained and other good and valuable consideration, the Shareholders agree as follows:

1. If a shareholder intends to transfer any shares of which he is an owner to any person other than a "permitted assignee" as defined below, he shall give 30 days written notice to the remaining shareholders and the Secretary of WSMI of his intention to transfer shares. The notice, in addition to stating the fact of the intention to transfer shares shall state:

- a. The number of shares to be transferred.
- b. The name and address of the proposed transferee.
- c. Whether or not the transfer is for a valuable consideration, and, if so, the amount thereof and the other terms of the sale. The date when such written notice shall be received by the Secretary of WSMI shall be the relevant date for valuation purposes.

d. Permitted assignee: A “permitted assignee” is any of the current shareholders; or lineal descendant of a current shareholder; or custodian, guardian, estate executor or administrator for a current shareholder or lineal descendant thereof; or trustee of a trust whose beneficiary or beneficiaries are the above persons or fiduciaries.

2. Within 30 days of the receipt by the remaining shareholders of the notice, any other shareholders may exercise an option to purchase all but not less than all of the shares proposed to be transferred at the same terms offered. In the event more than one of the remaining shareholders wish to purchase the shares, the shareholder proposing the highest bid therefore shall be the purchaser.

3. If shares are transferred by operation of law to any person other than the corporation, such as but not limited by, to a shareholder’s trustee in bankruptcy, a purchaser at any creditor or court sale, the guardian of an incompetent shareholder or the Executor’s personal representative of a deceased shareholder’s estate, the remaining shareholders within 30 days of the receipt of the actual notice of the transfer, may exercise their option to purchase all but not less than all of the shares so transferred in the same manner upon the same terms as provided by paragraph 2.

4. If all the Shareholders declare to decline their option to purchase the shares within 30 days after the Secretary of WSMI received the notice required by paragraph 1 above, WSMI shall have the option to purchase the shares within 30 days in the same manner upon the same terms, as provided in paragraph 2 with respect to shares proposed to be transferred.

5. Exercise of option and affect of non-exercise of option:

a. The shareholder who exercises the purchase option granted in paragraphs 2 and 3 shall do so by delivering written notice of his exercise of the option within the time

provided in such paragraphs to the proposed transferor and the Secretary of WSMI in the case of paragraph 2 option or to the transferee and the Secretary of WSMI in the case of paragraph 3 option. Should WSMI exercise its option, it shall do so by delivering written notice to the proposed transferor or transferee.

b. If a purchase option is forfeited or is not exercised in compliance with paragraphs 2, 3 or 4, the shares may be transferred within ten days after the expiration of the 60 day option provided by paragraph 4 to the transferee named in the notice required by paragraph 1 and upon the terms therein stated free of the terms of this agreement. In the event a transfer is made to another of the parties to this agreement, the shares so transferred shall remain subject to this agreement.

6. No shareholder shall encumber or use any of his or her shares as security for any loan, except upon the written consent of the other shareholders.

7. Unless otherwise agreed by the parties, the closing of the sale and purchase of shares as provided in this agreement shall take place at the general office of the corporation and shall be done 60 days of the relevant date.

8. All shares now or hereafter owned by the shareholders shall be subject to revisions of this agreement and the certificates representing same shall bear the following legend:

The sale, transfer or encumbrance of this certificate is subject to an agreement dated \_\_\_\_\_ among all of the shareholders of the corporation. A copy of the agreement is on file in the Office of the Secretary of the Corporation.

9. This agreement and all restrictions on the stock transfer created thereby shall terminate on the occurrence of any of the following events:

a. The bankruptcy or dissolution of the company;

b. A single shareholder becoming an owner of all of the shares which are then subject to this agreement;

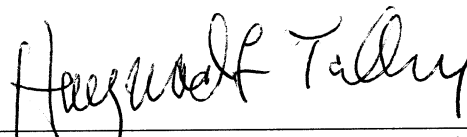
c. The execution of a written instrument by all the parties who then own shares subject to this agreement which terminates the same.

10. This agreement shall be construed pursuant to the laws of the State of Illinois.

11. These shares are unique chattels and each party to this agreement shall have the remedies that are available to him for violation of any of the terms of this agreement, including, but not limited to the equitable remedy of specific performance.

12. All notices provided for by this agreement shall be in writing either by actual delivery of the notice into the hands of the other parties or mailing of the notice in the United States Mail to the last known address of the party entitled thereto, by certified mail, return receipt requested. The notice shall be deemed to be received on the date of its actual receipt by the party entitled thereto, a return receipt for certified mail delivery being prima facia evidence of the receipt.

This agreement is binding upon and inures to the benefit of the shareholders and their respective heirs, personal representatives, successors and assigns, and the shareholders by the signing of this agreement direct their personal representatives to open their estates promptly, to secure promptly the court's jurisdiction, and to procure, execute and deliver all documents, including but not limited to appropriate orders of the Court as shall be required to effectuate the purpose of this agreement.



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Hayward L. Talley, Individually and as Trustee  
of the Hayward L. Talley Declaration of Trust  
dated November 24, 1987, as amended or restated

*Emma C. Talley*

Emma C. Talley, Individually and as Trustee  
of the Emma C. Talley Declaration of Trust  
dated November 24, 1987, as amended or restated

*Brian C. Talley*

Brian C. Talley

*Kevin M. Talley*

Kevin M. Talley

Talley Broadcasting Corporation

By: *Howard S. Talley*  
Its President

Attest: *Emma C. Talley*  
Its Secretary