

## REDEMPTION AGREEMENT

THIS REDEMPTION AGREEMENT (“Agreement”) is dated as of August 12, 2010, by and among COOPER COMMUNICATIONS, LLC, a California limited liability company (the “Company”), and MILDRED D. COOPER, as Trustee of the COOPER FAMILY TRUST dated April 26, 2002 (the “Seller”), with reference to the following facts:

- A. Company is a California limited liability company in good standing; and
- B. As of the date of this Agreement, Seller owns a ninety percent (90%) membership interest in the Company (the “Interest”) and James Phillips and Tracey Phillips (“Phillips”), individuals, jointly own a ten percent (10%) membership interest in the Company (the “Phillips’ Interest”); and
- C. Seller wishes to sell the Interest in Company; and
- D. The members of Company have determined that it is in the best interest of Company to redeem all of the Interest of Company owned by Seller; and
- E. Seller, Company and Phillips are in agreement with the plan of redemption of Seller’s Interest; and
- F. Seller, Company and Phillips acknowledge that the consummation of this transaction is subject to the prior consent of the Federal Communications Commission (“FCC”)

**NOW, THEREFORE**, for valuable consideration, the receipt and adequacy of which are hereby acknowledged by the parties, the parties agree as follows:

**1. Redemption of Interest:** Seller hereby agrees to sell, assign, transfer and deliver to Company all of her right, title and interest in and to the ninety percent (90%) membership interest in the Company owned by her and Company agrees to purchase from Seller all of said ninety percent (90%) membership interest in Company for a consideration of Four Hundred Seventy-Five Thousand Dollars (\$475,000.00).

**2. Payment of Consideration:** As consideration for the Interest, the Company shall pay to Seller the total amount of **Four Hundred Seventy-Five Thousand Dollars (\$475,000.00)** (the “Purchase Price”). The Purchase Price shall be paid in accordance with the terms of this Agreement and with the terms of a promissory note (the “Note”) to be delivered by Company to Seller at Closing, in the form set forth in **Exhibit A**, attached hereto. The Note shall also incorporate repayment of additional existing indebtedness of the Company to Seller, in the amount of Fifteen Thousand Dollars (\$15,000.00) (the “Additional Debt”). The Additional

Debt portion of the Note shall bear no interest, and shall be paid in 5 installments of Three Thousand Dollars (\$3000.00) each, commencing on the first day of the first month following the Closing Date. The Purchase Price portion of the Note shall bear interest at the rate of four percent (4%) per annum and be payable in monthly payments of principal and interest commencing on the first day of the sixth month following the Closing Date, and shall continue on the first (1st) day of each month thereafter until paid in full. Monthly payments of the Purchase Price portion of the Note shall be in the amount of Three Thousand Five Hundred Thirteen and 52/100 Dollars (\$3,513.52) per month for the first twelve (12) months; Five Thousand Five Hundred Thirteen and 52/100 Dollars (\$5,513.52) per month for the second twelve (12) months; Six Thousand Thirteen and 52/100 Dollars (\$6,013.52) per month for the third twelve (12) months; Six Thousand Five Hundred Thirteen and 52/100 Dollars (\$6,513.52) per month for the fourth twelve (12) months; Seven Thousand Thirteen and 52/100 Dollars (\$7,013.52) per month for the fifth twelve (12) months; Seven Thousand Seven Hundred Sixty-Three and 52/100 Dollars (\$7,763.52) per month for the sixth twelve (12) months; and Eight Thousand Two Hundred Sixty-Three and 52/100 Dollars (\$8,263.52) per month for the next twelve (12) months, with any remaining balance of principal and accrued but unpaid interest due with the final monthly payment. The Note shall state that Buyer shall have the option to prepay the Note at any time, provided that notwithstanding any such prepayment, Seller shall be entitled, in addition to the remaining principal, any and all interest payments which Seller would have been entitled to if the Note were paid and amortized over its full term as provided in **Exhibit "A"** attached hereto. The Note shall contain such other terms and otherwise be in the form of **Exhibit "A"** attached hereto. The Note shall be secured by a Security Agreement covering the assets of Company and a Pledge Agreement covering ninety percent (90%) of all ownership interest in Company after completion of the redemption herein. The Security Agreement shall be in the form of **Exhibit "B"** attached hereto; the Pledge Agreement shall be in the form of **Exhibit "C"** attached hereto.

In the event that Phillips sells fifty percent (50%) or more of the membership interest in Company or in the event that Company sells substantially all of its assets within a two (2) year period following the Closing, in addition to any payments to which Seller is entitled to pursuant to the terms of the Note, Seller shall also be entitled to ten percent (10%) of the net profit realized by Phillips on the sale of his interest or by Company on the sale of its assets.

**3. Event of Default:** In the event of a default under this Agreement, except as provided herein or in the Pledge Agreement, Seller and Seller's successors may only have legal recourse against the Company and not against Phillips personally or Phillips' successors and assigns.

**4. Redemption:** The parties hereto understand and agree that the transactions described herein are meant to and shall constitute a complete redemption of all of the membership interest of Seller and a complete redemption thereby of her entire interest in the Company.

Seller agrees that upon execution of this Agreement and the closing of the transaction, she shall resign her position as a manager and employee of the Company as necessary under the Operating Agreement.

**5. FCC License:** This transaction is contingent upon prior FCC approval of the transfer of control of Company to Phillips with respect to the Company's FCC license for Station KGEC-LP, (Facility ID # 34581). The parties hereto agree to cooperate in the filing of an application for the FCC's consent to the transaction contemplated herein within 5 business days of execution of this Agreement, and to diligently pursue the application for such approval. The parties hereby acknowledge that the FCC will not allow or recognize the existence of a security interest in the above-described license. Accordingly, Company agrees hereby to exercise its best efforts in protecting and maintaining the above-referenced license and to not voluntarily assign, transfer or convey such license or any interest therein so long as any obligations are owed to Seller under the terms of this Agreement or under the Note.

**6. Covenants of Company:** Following the Closing, as hereinafter defined, and until the Note has been paid in full, the Company shall provide Seller complete financial statements of Company (i.e. a balance sheet and income statement prepared in accordance with generally accepted accounting practices) no less often than quarterly within thirty (30) days from the end of each calendar quarter and permit Seller to review, audit and copy the Company's books and records.

Until the Note has been paid in full, the Company shall not undertake any of the following actions without the prior written consent of Seller: (a) merge or consolidate with or into any person or other business entity; (b) materially alter the character of its business; (c) sell, lease or otherwise dispose of any of the Company's assets, except in the ordinary course of business or as necessary to dispose of and/or replace depreciated assets; (d) admit any new members to the Company or issue any new membership interests in the Company: in the event that new members are admitted, and such new members invest money in the Company, 100% of new investor monies shall be used to prepay the Note; (e) incur any indebtedness or other liability, contingent or otherwise, for borrowed money whether secured or unsecured in amounts which aggregate in excess of Fifty Thousand Dollars (\$50,000.00); (f) incur any mortgage, pledge or other security interest with respect to the equipment, inventory, accounts receivable and other assets of the Company, whether now owned or hereafter acquired except in the ordinary course of business consistent with past practices, provided, however, that Company may obtain and use a line of credit, provided that doing so does not cause Company's indebtedness to exceed the amount stated in Section 6(e) above; (g) default as principal or guarantor in the payment of any principal, interest or other charge under indebtedness incurred prior to or after the execution of this Agreement; (h) other than such machinery and equipment necessary to convert to digital and for automation of the station all of which machinery and equipment shall be owned by the Company and procured in the Company's name, purchase or

lease any machinery or equipment with a sales price in excess of Fifteen thousand Dollars (\$15,000); (i) make an assignment or other arrangement for the benefit of creditors; (j) pay in any calendar year to Phillips and/or any person or entity related to or controlled by him direct or indirect compensation aggregating more than One Hundred Fifty Thousand Dollars (\$150,000.00) per year; (k) consent to institute bankruptcy, insolvency, reorganization, liquidation, dissolution or receivership proceedings or have any such proceedings instituted by a third party; (l) purchase, redeem or otherwise acquire for value any interests in the Company or any stock, interests, securities or debt obligations of any person or other business entity; (m) loan funds to or invest in any firm, person or entity; (n) loan or advance money to Phillips or any member of Phillips' family; (o) commit any default under any agreement or other obligation of the Company; or (p) partially or totally liquidate.

In addition, and until the Note has been paid in full, the Company shall: (a) conduct its business efficiently and without voluntary interruption; (b) preserve all rights, privileges, franchises and licenses held by it; (c) keep its business property in good repair; (d) satisfy those obligations existing at the day of Closing in due course of business; (e) pay all taxes, assessments, governmental charges, and claims for labor supplies, rent and other obligations related to the business when due; (f) undertake appropriate corrective measures against threatened or pending litigation or other proceedings against the Company the outcome of which would materially and adversely affect the continued operation of the business of the Company and give Seller notice of any litigation that may have a material adverse effect on the business; (g) operate its business in compliance with all applicable laws and regulations; (h) maintain all required licenses and permits for the conduct of its business; (i) maintain appropriate liability insurance in accordance with generally established industry practices; and (j) notify Seller promptly in writing of any default, potential default, or any development that might have a material adverse effect on the Company's business.

Notwithstanding any of the foregoing, Phillips shall have the ability, without the prior consent of Seller, to move the location of the Company and its Station transmitter pursuant to the FCC's approval of a modification application for such relocation, and to enter into any necessary lease to complete said move.

The Company acknowledges that any failure by it to perform any of the covenants and agreements set forth above or any breach by it of any of its obligations set forth herein may constitute an event of default under the Security Agreement and/or the Pledge Agreement for which Seller may have legal remedies as set forth at law and in such Agreements, including, but not limited to, the right to accelerate the maturity date of the Note.

**7. Life Insurance:** Company shall maintain a policy or policies of insurance on the life of Phillips with Company to be the owner and beneficiary of such policy or policies, such policy or policies to be in a cumulative face amount which shall never be less than the aggregate of all sums owed by Company to Seller. Such policy or policies shall be maintained with a life

insurance company having an A.M. Bests rating of A+ or higher or the equivalent thereof Proof of insurance acceptable to Seller will be provided to Seller no less often than annually. If at any time Company fails to so provide such insurance, without Seller's express approval, Company shall be deemed to be in default of this Agreement and the Note, Security Agreement, and Pledge Agreement referred to herein. In the event, and to the extent that, Company receives any proceeds of any such life insurance policies, such proceeds shall first be applied to the Note. Any proceeds in excess of the amounts owed to Seller under the Note and herein shall become the property of Company.

**8. Representations and Warranties:**

(a) **Seller's Title to Interest.** Seller represents and warrants to the Company that Seller is the legal owner as of the date of execution hereof, and immediately prior to the closing, will be the legal owner the Interest. The Interest is validly issued, fully paid and nonassessable, and at the time of closing will be transferred to the Company free and clear of all liens and encumbrances.

(b). (Omitted)

**9. Closing:** The closing of this transaction shall take place no later than 10 calendar days of the date on which the FCC's consent to the transaction contemplated herein becomes a "Final Order", as defined herein, in the offices of Company at 314 Lake Boulevard, Redding, California (the "Closing").

At the Closing, Seller shall deliver to Company:

(a) The written resignation of Seller as manager and employee of the Company, which shall be effective on such closing date; and

(b) An assignment executed by Seller transferring the Interest to Company.

At the Closing, the Company shall deliver to Seller:

(a) The Note in the form of **Exhibit "A"** executed by Company;

(b) The Security Agreement in the form attached hereto as **Exhibit "B"** and the Pledge Agreement in the form attached hereto as **Exhibit "C"**; and

(c) Certificate(s) of Insurance with respect to the life insurance policy or policies described in Section 7 of this Agreement.

For purposes of this Agreement, **Final Order** means an Order of the Commission granting its consent and approval to the transfer of Seller's Interest to the Company, which Order

is no longer subject to rehearing, reconsideration or review by the Commission, or to a request for stay, an appeal or review by any court under the Communications Laws.

**10. Obligations After Closing.** Phillips agrees to defend and indemnify Seller and hold Seller harmless from any loss, cost, liability, obligation, claim, expense, penalty or fine, including attorneys' fees (without regard to whether litigation is commenced) suffered or incurred, directly or indirectly, as a result of:

- (i) The assertion against Seller of any obligation or liability of Company arising from the operation of the Business and ownership of the assets from and after the Closing;
- (ii) The assertion against Seller of any alleged violation of law involving the operation of the Company or ownership of the assets from and after the Closing; or
- (iii) Any material breach of or material failure by Buyer to perform any of its representations, warranties, covenants or agreements in this Agreement.

**11. Representations of Company:** Company represents and warrants that the execution and delivery of this Agreement by it has been properly authorized, that the Note and the Security Agreement to be delivered by it to Seller constitute valid, binding and enforceable obligations of the Company, subject, however, to the terms and conditions thereof Company further represents and warrants that all requisite approvals for the redemption of the Interest required by law have been obtained, that all action within the limited liability company has been taken and that the redemption of the Interest as contemplated herein given Company's financial complies with all applicable legal requirements.

**12. [Omitted.]**

**13. Operating Agreement:** The Operating Agreement of Company is hereby modified and amended in any manner and to any extent required in order to allow for the transactions described and contemplated herein and to allow for the ownership and operation of Company by Phillips.

Any and all buy-sell provisions in the Operating Agreement of Company which would otherwise affect the transactions herein are hereby waived.

**14. Entire Agreement, Modification and Waiver:** This Agreement, together with the attachments hereto, constitutes the entire agreement between the parties hereto and supersedes all contemporary and previous agreements, representations and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any provision of this Agreement shall be deemed a

waiver of any other provision whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

**15. Inurement:** This Agreement shall inure to and be for the benefit of the respective parties hereto and their heirs, representatives, successors and assigns.

**16. Arbitration:** Except as otherwise specifically set forth in subparagraph herein., any controversy or claim arising out of or relating to this Agreement or any other documents executed in connection with this Agreement or the making, performance or interpretation of this Agreement (“Dispute” or “Disputes”) shall be resolved by arbitration as set forth in this Paragraph. Such Disputes shall be resolved by binding arbitration in accordance with Title 9 of the United States Code, as amended, and the Commercial Arbitration Rules of the American Arbitration Association (“AAA”), as in effect from time to time (the “Rules”), and as modified by any instructions that the parties may agree upon at the time. Discovery shall be permitted as provided in section 1283.05 of the California Code of Civil Procedure, which provision is incorporated herein by reference. All statutes of limitations that would otherwise be applicable shall apply to any arbitration proceeding under this Paragraph. In any such arbitration proceeding, the arbitrators are specifically empowered to decide (by documents only, or with a hearing, at the arbitrators’ sole discretion) pre-hearing motions that are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication under the Federal Rules of Civil Procedure. The arbitrators may order or permit discovery (exchange of documents and pre-hearing depositions) as deemed appropriate in the arbitrators’ best judgment. The arbitration proceeding shall be administered by the AAA. Judgment upon the award rendered may be entered in any court having jurisdiction.

The arbitrators shall be bound by and shall strictly enforce the terms of this Agreement and may not limit, expand or otherwise modify its terms. The arbitrators shall be bound to honor claims of privilege or work product doctrine recognized at law, but the arbitrators shall have the discretion to determine whether any such claim of privilege or work product doctrine applies. The arbitrator shall have the power to award the prevailing party recovery of all costs, expenses and fees incurred by it (including without limitation reasonable attorneys fees, administrative fees, arbitrators’ fees and court costs).

The arbitrators shall have power and authority to award any remedy or judgment that could be awarded by a court of law in Shasta County, California. The award rendered by arbitration shall be final and binding upon the parties, and judgment upon the award may be entered in any court of competent jurisdiction in the United States.

**17. Attorneys’ Fees:** Should either party commence any proceeding against the other to enforce any provision this Agreement, the prevailing party shall be entitled to recover reasonable attorneys’ fees as found by an arbitrator in any such proceeding.

**18. Notices:** Any notice or other communication hereunder must be given in writing

and either (a) delivered in person, or (b) mailed by certified or registered mail, return receipt requested, postage prepaid, as follows: if to Seller, addressed to: Mildred D. Cooper, Trustee 6931 Terra Linda Way, Redding, California 96003, if to Company, to James Phillips c/o Cooper Communications, LLC, 215 Lake Boulevard, Suite 26, Redding, California 96003, or such other address or to such other person as either party shall have last designated by such notice to the other party. Each such notice or other communication shall be effective (i) if given by mail, when such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid, or (ii) if given by personal delivery, when actually received at such address.

**19. Representation:** All parties hereto acknowledge and agree that (a) the law firm of Reese, Smalley, Wiseman & Schweitzer, LLP and its individual attorneys, and Denise B. Moline, Esq. represent the Company and James Phillips with respect to the transactions described and contemplated in this Agreement and (b) the law firm of Carr, Kennedy, Peterson & Frost, a Law Corporation and its individual attorneys represent only Seller with respect to the transactions described and contemplated in this Agreement.

**20. Counterparts:** This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**21. Time of Essence:** Time is of the essence in this Agreement.

**22. Governing Law:** This Agreement shall be interpreted and construed in accordance with California law.

**23. Captions:** The captions in this Agreement are inserted for convenience of reference and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions of this Agreement.

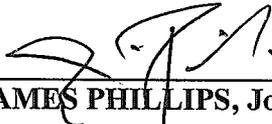
**24. Partial Invalidity:** Any provision of this Agreement which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Agreement shall have no effect, but all the remaining provisions of this Agreement shall remain in full effect.

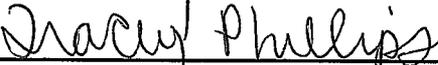
**25. No Party Deemed Drafter:** In the event of a dispute between any of the parties hereto over the meaning of this Agreement, no party shall be deemed to be the drafter hereof, and the principle of law that contracts are construed against the drafter does not apply.

[Signature Page, Redemption Agreement]

**COMPANY:**

**COOPER COMMUNICATIONS, LLC,**  
a California limited liability company

By:   
JAMES PHILLIPS, Joint Member

By:   
TRACEY PHILLIPS, Joint Member

By:   
MILDRED D. COOPER, Member

**SELLER:**

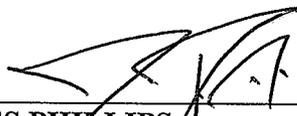
  
MILDRED D. COOPER, Trustee  
of the Cooper Family Trust Dated  
April 26, 2002

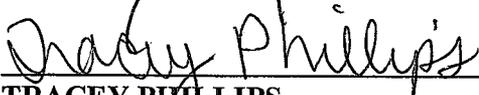
## ACKNOWLEDGMENT AND AGREEMENT

The undersigned, James Phillips and Tracey Phillips, who are joint owners of a 10% membership interest in Cooper Communications, LLC, hereby acknowledge and agree:

1. They have read, understand and agree with the terms and conditions of the foregoing Redemption Agreement;
2. Following the closing of the transaction contemplated by the Redemption Agreement, they will be the sole joint member of Company and as such will use their best efforts to see that Company performs its obligations thereunder and operates in accordance with the provisions thereof;
3. Jim Phillips and Tracey Phillips understand and acknowledge their obligations as the sole joint member of the Company under the Redemption Agreement, the Note, and the Security Agreement and acknowledge their obligations under the Pledge Agreement.
4. Except as set forth in the Redemption Agreement, Seller, as defined in the Redemption Agreement, has made no representation or warranty concerning the Company or its operations, including but not limited to, its financial performance or prospects or the condition of its facilities and equipment all of which Company retains in their "as-is" condition.

Dated: 8-12-2010, 2010

  
\_\_\_\_\_  
JAMES PHILLIPS

  
\_\_\_\_\_  
TRACEY PHILLIPS