

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement") is entered into and made effective as of _____, 2010 (the "Effective Date"), by and between JAMES PHILLIPS and TRACEY PHILLIPS, joint owners of a 10% membership interest in Cooper Communications, LLC, ("Pledgor"), and MILDRED D. COOPER, Trustee of the Cooper Family Trust dated April 26, 2002 ("Pledgee").

RECITALS:

A. COOPER COMMUNICATIONS, LLC (the "Company") is a California limited liability company of which Pledgor and Pledgee were its sole members;

B. Pursuant to that certain Redemption Agreement between the Company and Pledgee dated as of _____, 2010 (the "Redemption Agreement"), concurrently herewith, the Company has redeemed Pledgee's membership interest in the Company leaving Pledgor as the sole member of the Company;

C. In redemption of Pledgee's membership interest in the Company, the Company issued to Pledgee the Company's promissory note of even date herewith in the total amount of \$490,000 (the "Note") of which \$475,000 is consideration for redemption of Pledgee's membership interest, and \$15,000 is reimbursement for Pledgee's prior loans to the Company, and granted Pledgee a security interest in the business and assets of the Company through a security agreement of even date herewith (the "Security Agreement"); and

D. Following the Redemption, Pledgee desires that ninety percent (90%) of Pledgor's 100% membership interest in the Company be pledged as security for the timely payment and performance by the Company of each and every obligation of the Company under the Note, the Security Agreement and the Redemption Agreement (collectively, the "Secured Obligations").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties hereby agree as follows:

1. Pledge. Pledgor hereby grants Pledgee a security interest of ninety percent (90%) of Pledgor's membership interest (the "Pledged Interest") as security for the due and timely performance by the Company of each of the Secured Obligations. Pledgor shall hold the Pledged Interest as security for the performance of the Secured Obligations, and shall not encumber or dispose of the Pledged Interest except in accordance with the provisions of this Agreement. During the term of this Agreement, and so long as the Company is not in default of any of the Secured Obligations, the Pledged Interest shall continue to be deemed owned by Pledgor for all tax purposes. The parties hereto acknowledge and agree that Pledgor's remaining ten percent (10%) membership interest and other rights in and to Company shall not be included in the Pledged Interest as defined herein and Pledgor does not grant any security or other right or

interest in his remaining ten percent (10%) interest in Company under this Agreement. Pledgor shall deliver to Pledgee, simultaneously with execution of this Agreement, an executed Federal Communications Commission ("FCC") Form 345 for transfer of ninety percent (90%) of Pledgor's membership interest to Pledgee, together with a power of attorney to execute that form on behalf of Pledgor for filing with the FCC, to be held in by Pledgee in the event of a default under this Agreement.

2. Voting Rights. During the term of this Agreement, and so long as the Company is not in default in the performance of any of the Secured Obligations, Pledgor shall have the right to vote the Pledged Interest all matters. In the event of a default in the performance of any of the Secured Obligations, and any resulting transfer of the Pledged Interest to Pledgee pursuant to the FCC's prior consent and approval, Pledgee shall be entitled to vote the Pledged Interest; *provided however*, that all notice and cure and dispute resolution opportunities provided for in the Note have been provided to Pledgor prior to such transfer back to Pledgee, and *provided further* that Pledgee shall not be required to commence arbitration pursuant to the arbitration Provisions in the Redemption Agreement as a precursor to exercise of Pledgee's rights hereunder.

3. Representations. Pledgor warrants and represents that Pledgor owns Pledgor's membership interest free and clear of all liens and encumbrances, that there are no restrictions upon the transfer of the Pledged Interest other than as set forth in this Agreement and that Pledgor has the right to the Pledged Interest free of any encumbrances.

4. Covenants of Pledgor. Pledgor covenants and agrees with Pledgee as follows:

4.1. Pledgor will at all times preserve, warrant and defend or cause to be preserved, warranted, and defended the rights of Pledgee in and to the Pledged Interest against the claims of all other persons and legal entities.

4.2. Pledgor will not do or permit anything to be done or to exist whereby the lien of this pledge on the Pledged Interest may be lost, impaired or threatened, and Pledgor will take or cause to be taken, all action necessary so that the lien of this pledge on the Pledged Interest shall be duly preserved.

4.3. Until all Secured Obligations are satisfied in full and this pledge is terminated, Pledgor will not assign, transfer, encumber or hypothecate any of the Pledged Interest or any part thereof without Pledgee's prior written consent.

5. [Omitted].

6. Performance of Secured Obligations. When the balance of principal and interest due under the Note has been paid in full to Pledgee and all of the other Secured Obligations

performed in full, this pledge shall terminate and all rights of Pledgee with reference to the Pledged Interest shall expire. Pledgee shall provide written confirmation of termination of this Pledge Agreement to Pledgor.

7. Events of Default. The following shall constitute “Events of Default” for purposes of this Agreement: (a) any breach by the Company of any of the Company’s representations, warranties, covenants or agreements contained in the Redemption Agreement; (b) any failure by the Company to pay any amount due Pledgee under the Note when due; (c) any breach by the Company of any covenant or agreement under the Security Agreement; (d) any breach by Pledgor of any covenant or agreement in this Agreement; or (e) any act or omission of the Company in contravention of any covenant or commitment or provision in this Agreement.

8. Remedies. Upon the occurrence of any Event of Default which has not been either (i) cured within ten (10) business days of receipt of actual written notice thereof by Pledgor, or (ii) if Pledgor has not responded to provide notice of Pledgor’s dispute concerning the notice of default:

8.1. Pledgee may, at Pledgee’s option, (a) declare all or any part of the indebtedness evidenced by the Note immediately due and payable, and (b) demand the immediate performance of each and every other obligation under any of the agreements setting forth the Secured Obligations. If necessary, Pledgee and Pledgor may commence proceedings before an arbitrator as set forth in the Redemption Agreement to resolve any dispute over default.

8.2. Pledgee shall be entitled to exercise all rights and prosecute all actions, suits or proceedings to enforce payment and performance of the terms and conditions of the Secured Obligations, and to take such other action as Pledgee may deem desirable to protect Pledgee’s interests with respect thereto, including the filing of an application with the FCC for transfer of the Company from Pledgor to Pledgee, pursuant to the terms of the Redemption Agreement and the Note.

8.3. Pledgee shall have any and all rights granted to a holder of a secured interest in personal property under the California Uniform Commercial Code (the “CUCC”) and may exercise all of the remedies provided in the CUCC.

8.4. Upon consummation of transfer of the Pledged Interest to Pledgee, Pledgee shall be entitled to vote all of the Pledged Interest for any tax purposes, to collect and receive payment of all cash distributions, and to exercise all rights and prosecute all actions, suits or proceedings to enforce payment and the performance of the terms and conditions of this Agreement and to take such other action as Pledgee may deem desirable to protect Pledgee’s interests with respect thereto.

8.5. Pledgee may take such steps as are required to transfer the Pledged Interest to Pledgee, including, but not limited to, the filing with the FCC of the FCC Form 345

referred to in the Security Agreement.

8.6. Pledgor hereby appoints Pledgee as Pledgor's attorney-in-fact with the following powers:(a) to prepare and file financing statements, continuation statements, statements of assignment, termination statements, and the like as necessary to perfect or release Pledgee's interest in the Pledged Interest; and (b) following any Event of Default, to endorse Pledgor's name (as appropriate) on an application for transfer of the Pledged Interest to Pledgee, in satisfaction of the Note. This power of attorney is irrevocable until the termination of this Agreement, and Pledgor hereby renounces all right to revoke this power of attorney or to appoint another person to perform the acts described herein without the Pledgee's consent.

9. Limitation of Remedies. Pledgee's sole remedies hereunder shall be with respect to the Pledged Interest. Pledgee shall have no rights or remedies against Pledgor or Pledgor's remaining 10% personal interest hereunder other than with respect to the Pledged Interest. Neither James Phillips nor Tracey Phillips, nor their personal successors and assigns shall be personally and individually liable under this Agreement other than with respect to the Pledged Interest. In no event shall Pledgor be responsible for any deficiency in the event that the Pledged Interest fails to fully compensate Pledgee for any remaining amounts due under the Note.

10. Professionals' Fees. Should any arbitration proceeding be commenced between the parties hereto concerning this Agreement, or the rights and duties of any party in relation thereto, the party prevailing in such proceeding shall be entitled, in addition to such other relief as may be granted, to recover from the losing party a reasonable sum for its attorneys', accountants, and/or other professionals' fees and costs in such proceeding, or any other separate action brought for that purpose.

11. 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 Pledgee, addressed to: Mildred D. Cooper, Trustee 6931 Terra Linda Way, Redding, California 96003; if to Pledgor, 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.

12. Assigns. This Agreement shall inure to the benefit of Pledgee's heirs, personal representatives, successors and assigns and shall bind Pledgor's successors and assigns with respect to the Pledged Interest.

13. Entire Agreement. This Agreement, and the documents, instruments and

agreements referred to herein, constitute the entire agreement between the parties relating to the subject matter hereof, and supersede any and all prior or contemporaneous agreements, representations, and understandings of the parties, whether written or oral. No modification or amendment of this Agreement or waiver of any of the terms or provisions hereof shall be valid unless in writing and signed by both parties.

14. Governing Law. This Agreement has been executed and will be consummated in the State of California and shall be governed by and interpreted under the laws of such State as the same are applied to contracts entered in to and to be performed in that state between residents thereof

15. Severability. If any provision hereof is determined to be illegal or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions hereof, all of which shall remain in full force and effect.

16. 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 have been the drafter hereof, and the principle of law that contracts are construed against the drafter does not apply.

[Signature Page, Pledge Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Effective Date.

“PLEDGOR”

“PLEDGEE”

JAMES PHILLIPS

MILDRED D. COOPER, Trustee

TRACEY PHILLIPS