

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT is made this \_\_\_\_ day of October, 2009, between Craig and Marilyn Caples and William Mitchell ("Seller") and MCUSA, Inc., a Utah corporation ("Buyer").

### **WITNESSETH:**

WHEREAS, Seller holds a Station (the "Station") issued by the Federal Communications Commission ("Commission") operate a Low Power Television KPDR-LP, Park City, Utah, , with all equipment used or useful in the operation of the Station, the Digital displacement Channel Construction Permit approved by Buyer (hereinafter referred to as "the Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase the Station; and

WHEREAS, the parties hereto will be unable to consummate this Purchase Agreement until after the Commission has granted its consent to the terms and conditions hereof and to the assignment of the Station for the Station contemplated herein;

NOW, THEREFORE, for and in consideration of the premises, and of the terms and conditions set out below, and with intent of being bound hereby, the parties agree to the following:

1. After the granting by the Commission of its consent and final order to the assignment of the Station, new Digital displacement channel for the Station and to the other arrangements, terms, and conditions set forth herein, Buyer will purchase from Seller and Seller will assign to Buyer on the closing date as hereinafter defined, the Station, with all equipment used or useful in the operation of the Station, the Digital displacement Channel Construction Permit approved by Buyer, All engineering files and necessary information related to the license

and, at Buyer's sole election, any other assets of the Seller used or useful in the construction or operation of the Station, and any agreements relating to such construction or operation.

2. Seller warrants that it possesses a valid License from the Commission for the Station; that to the best of Seller's knowledge said authorization for the Station is not in jeopardy, and that the Station expires on October 1, 2014; and that pending approval of the assignment of the Station for the Station, Seller will continue to hold the Station in accordance with the *Communications Act of 1934*, as amended, and the Rules and Regulations of the Federal Communications Commission.

3. In consideration of the performance by Seller of the covenants and agreements contained herein, Buyer shall cause the payment to Seller at closing of the sum of Seventy Thousand Dollars (\$70,000). The Closing Date to be within thirty (30) days after the Commission consent of Transfer of Control and final order to Buyer.

4. Seller warrants and represents as follows:

a. On the date hereof, Seller has a valid License for the Station and on the closing date will have a valid Digital Construction Permit, approved by the Buyer, from the Commission for the Station, and there is and will be neither pending nor to the best of Seller's knowledge threatened any action by the Commission to revoke or modify said Station and Digital Construction Permit.

b. Seller is a group of individuals, and they have the right, power, and authority to hold the License for the Station and to sell the Station and it's Digital displacement Construction Permit to Buyer.

c. The execution and delivery of this Agreement and the consummation of this transaction do not conflict with or result in a breach of any of the terms, provisions,

or conditions of any statute, regulation, or court or administrative order or process, or any agreement or instrument to which Seller is a party or is bound or constitute a default hereunder.

d. Seller will, prior to the date of closing, take all requisite action with the Commission to approve this Agreement, dismiss application BDISDVL-20090824AFO Channel 5, file new Digital application and engineering approved by Buyer, grant of new Digital Construction Permit and the assignment of the Station and new Construction Permit from Seller to Buyer as contemplated by this Agreement and at Buyer's expense.

e. No litigation at law or in equity and no proceeding before any commission or other administrative or regulatory authority is pending or to the knowledge of Seller threatened against or affecting the Station of the Station.

f. No representation or warranty by Seller contains any untrue statement of a material fact or fails to state a material fact necessary to make the statements contained herein not misleading or necessary in order to provide Buyer with complete and accurate information as to the Station.

5. Buyer warrants and represents as follows:

a. Buyer is a corporation, organized, validly existing, and in good standing under the laws of the State of Utah, and has the right, power, and authority to hold the Station for the Station and to purchase the Station from Seller.

b. The execution and delivery of this Agreement and the consummation of this transaction do not conflict with or result in a breach of any of the terms, provisions, or conditions of the partnership agreement, statute, regulation, or court or administrative

order or process, or any agreement or instrument to which Buyer or any principal of Buyer is a party or by which any of them is bound or constitute a default hereunder;

c. The principals of Buyer will, prior to the date of closing, take all requisite action to approve this Agreement and the assignment of the Station from Seller as contemplated by this Agreement.

d. Buyer knows of no reason why it should not be qualified before the Federal Communications Commission to carry out the terms of this Agreement.

e. No representation or warranty by Buyer contains any untrue statement of a material fact or fails to state a material fact necessary to make the statements contained herein not misleading or necessary in order to provide Seller with complete and accurate information.

6. This entire Agreement and the application to assign the Station are subject to the approval of the Commission, without any conditions materially adverse to Buyer. Seller and Buyer shall, no later than thirty (30) days after execution of the Asset Purchase Agreement, make such application and take such other steps as may be necessary to secure the written consent of the Commission to all actions contemplated herein. Each party agrees to cooperate with the other fully in securing the necessary approval of the Commission. The parties further agree that all FCC filing fees shall be paid by the Buyer. Time is of the essence in this Agreement.

7. It is agreed that Seller shall maintain and control the ownership of the Station for the Station until the closing date following approval by the Commission of the assignment application contemplated herein. Seller will timely file with the Commission all documents required to keep its Station in full force and effect, dismiss the current application for Digital displacement BDISDVL-20090824AFO Channel 5 and file a new Digital application and

engineering for the Digital displacement channel that is approved by the buyer and at Buyer's expense.

8. In the event consent of the Commission to the arrangements, terms, and conditions provided for in this Agreement shall not have become final, as defined herein, within one (1) year of the date of the filing of the application therefore, Seller or Buyer may terminate this Agreement by giving notice to the other in writing. In the event that this Agreement is terminated pursuant to the provisions of this paragraph, then both parties hereto shall stand fully released and discharged of any and all obligations provided that the failure of the Commission to grant said application does not arise through the violation or breach of one of the covenants of this Agreement by either Buyer or Seller.

9. The closing shall take place in the offices of Donald Winters located at 375 East 790 South, Pleasant Grove, Utah 84062. The date and place of closing may be changed within five (5) days of the final order of the assignment application by mutual consent of the parties.

10. All of the terms of this Agreement are to be interpreted in accordance with the laws of the State of Utah.

11. Any notices required or permitted to be given by Seller to Buyer shall be deemed sufficient if mailed by registered mail, return receipt requested or by next day overnight courier delivered, to:

Craig and Marilyn Caples  
William Mitchell  
Caples Production  
3325 Wigman Road  
Las Vegas, Nevada 89139

Any notice required or permitted to be given by Buyer to Seller shall be deemed sufficient if mailed by registered mail, return receipt requested, or by next day overnight courier delivered to:

MCUSA, Inc.  
Donald Winters  
375 East 790 South  
Pleasant Grove, Utah 84062

with a copy to:

Rubin Rodriguez Jr.  
1491 Walker Lane  
Farmington, Utah 84025

The above addresses may be changed by written notice of such change to the last address designated.

12. This Agreement shall inure to and be binding upon the successors, representatives, heirs, and assigns of the respective parties hereto. Buyer shall be entitled to assign its rights under this Agreement to another entity, upon written consent of Seller, which consent shall not be withheld unreasonably.

13. This Agreement may be executed in any number of counterparts.

14. This Agreement may be amended, modified, superseded, or canceled, and the terms, covenants, representations, warranties, or conditions hereof may be waived, only by a written instrument executed by the parties hereto. No waiver by any party of any condition, or of any breach of any term, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of a breach of any other term, covenant, representation, or warranty.

15. The representations, warranties, covenants, and agreements contained herein shall be deemed to be material and relied upon by the party to which they are made and shall survive

the execution, delivery, and performance of this Agreement, consummation of the transaction contemplated hereunder, and any investigation made by or on behalf of the parties at any time.

16. This Agreement contains the entire understanding among the parties and supersedes all prior written or oral agreements between them respecting the within subject matter, unless otherwise provided herein. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

17. The representations and warranties of the parties contained in this Agreement shall be true and correct in all material respects at and as of closing as though such representations and warranties were made at and s of such time.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate, with each version deemed an original, on the date first mentioned above.

SELLER:

Accepted: Craig Caples

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

Accepted: Marilyn Caples

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

Accepted: William Mitchell

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

BUYER:

Accepted: Rubin Rodriguez Jr. MCUSA, Inc.

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