

OPTION AND ASSET SWAP/PURCHASE AGREEMENT

This OPTION AND ASSET SWAP/PURCHASE AGREEMENT (the "Agreement") is entered into as of September 1, 2014 ("Option Date"), by and between INTERNATIONAL BROADCASTING CORP. ("IBC") and SPANISH BROADCASTING SYSTEM HOLDING COMPANY, INC., a Puerto Rico corporation and SPANISH BROADCASTING SYSTEM OF PUERTO RICO, INC., a Puerto Rico company (together, "SBS").

RECITALS

A. IBC is the licensee of television stations WTCV-DT, Channel 32, San Juan, PR (FIN 28954), WVEO-DT, Channel 17, Aguadilla, PR (FIN 61573) and WVOZ-DT, Channel 47, Ponce, PR (FIN 29000), together with any and all other subsequent channels, whether primary, secondary, digital or analog stations, issued by the Federal Communications Commission ("FCC") to IBC with respect to the stations listed above (collectively, the "TV Stations"). IBC operates the TV Stations pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations issued by the FCC.

B. SBS, through subsidiaries, is the licensee of radio stations WIOA-FM, San Juan, PR (FIN 8151), WIOA-FM1, Celba, PR (FIN 171638), WZET-FM, Hormigueros, PR (FIN 61579) and WIOC-FM, Ponce, PR (FIN 8152) (the "Radio Stations"). SBS operates the Radio Stations pursuant to certain licenses, franchises, authorizations and approvals issued by the FCC.

C. IBC and SBS desire to enter into this Agreement, with a term of five years, to give SBS an option to swap the Radio Stations and certain assets used in the operation of the Radio Stations plus cash for the TV Stations and certain assets used in the operation of the TV Stations, all under the terms and conditions described herein.

D. IBC and SBS are concurrently entering into a Television Programming Agreement and a Radio Programming Agreement which will be in effect until this Agreement closes or is terminated.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations, warranties and covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1

DEFINITIONS

"Affiliate" of any Person means (a) any Person that owns or controls, is owned or controlled by, or under common control with, such Person, (b) any Person that is an officer, director, member, general partner or trustee of, or serves in a similar capacity with the specified Person, or for which the specified Person is an officer, director, member, general partner or

trustee, or serves in a similar capacity or (c) any member of the immediate family of the specified Person.

"Agreement" has the meaning set forth in the first paragraph of this Agreement.

"Allocation" has the meaning set forth in Section 2.5(c).

"Authorizations" shall have the meaning set forth in Section 3.8.

"Binding Date" has the meaning set forth in Section 2.1(b).

"Buyer" with respect to the TV Assets, shall mean SBS, and with respect to the Radio Assets, shall mean IBC.

"Buyer's Disclosure Schedule" has the meaning set forth in Article 4.

"Buyer Indemnitees" has the meaning set forth in Section 10.2(a).

"Closing" has the meaning set forth in Section 2.6.

"Closing Date" has the meaning set forth in Section 2.6.

"Code" means the Internal Revenue Code of 1986, as amended.

"Communications Act" has the meaning set forth in Section 3.8.

"Consents" has the meaning set forth in Section 3.10.

"Contest Notice" has the meaning set forth in Section 10.4(b).

"Contract" means any unexpired agreement, arrangement, commitment or understanding, written or oral, express or implied, relating to the operation of either the TV Stations or the Radio Stations, as applicable, to which Seller is a party or is bound.

"Deficiencies" has the meaning set forth in Section 10.3.

"Disclosure Schedule" has the meaning set forth in Article 3.

"Effective Time" has the meaning set forth in Section 2.5.

"Environmental Laws" means any and all federal, state or local laws (including common law), rules, orders, regulations, statutes, ordinances, codes, guidelines properly enforced by governmental authorities, administrative orders, or requirements of any governmental authority regulating or imposing standards of liability, standards of conduct or standards of Remediation with respect to protection of public health or environmental media (including without limitation soil, surface water, ground water, stream sediments, air, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened Releases of Hazardous Materials into the environment, laws relating to the identification, generation, manufacture, processing, distribution, use, treatment,

storage, disposal, recovery, transport or other handling of Hazardous Materials, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Occupational Safety and Health Act of 1970, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, and applicable state analogues, all as in effect on the Option Date and as amended.

"Environmental Permits" has the meaning set forth in Section 3.12.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"FAA" has the meaning set forth in Section 3.18.

"FCC" has the meaning set forth in Recital A.

"FCC Order" means the order of the FCC consenting to the assignment of all Authorizations to SBS in the case of the TV Assets or to IBC in the case of the Radio Assets without any conditions that would restrict, limit, increase the cost or burden of or otherwise adversely affect or impair, in any material respect, the right of IBC or SBS to the ownership, use, control, enjoyment or operation of the Radio Stations or the TV Stations, as applicable, or the proceeds therefrom; *provided, however*, that any condition which requires that the Radio Stations or TV Stations, as applicable be operated in accordance with conditions similar to and not more adverse than those contained in the present Authorizations issued for operation of the Radio Stations or the TV Stations, shall not be applicable.

"Final" means an order of a governmental authority, or the failure of a governmental authority to act when required by law to prevent a proposed action, which creates rights (i) which are effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside *sua sponte*.

"Government Agency" has the meaning as set forth in Section 3.9(a).

"Hazardous Materials" means any materials regulated as hazardous or toxic under applicable Environmental Laws, including, without limitation, petroleum, petroleum products, fuel oil, crude oil or any fraction thereof, derivatives or byproducts of petroleum products or fuel oil, natural gas, natural gas liquids, liquefied natural gas, synthetic natural gas useable for fuel, hazardous substances, toxic substances, polychlorinated biphenyls, medical waste, biomedical waste or infectious materials. "Hazardous Materials" also means any environmental media, including, without limitation, soil, sediment and water, containing any of the materials described or set forth in the preceding sentence.

"IBC" has the meaning set forth in the first paragraph of this Agreement.

"Income Tax" means any federal, state, Commonwealth of Puerto Rico, local, or foreign income tax, including any interest, penalty, or addition thereto, whether disputed or not.

"Indemnifying Party" has the meaning set forth in Section 10.2.

"Indemnitees" has the meaning set forth in Section 10.4(a).

"IRS" means the Internal Revenue Service.

"Knowledge" means, (i) for IBC, actual knowledge after due inquiry of Angel O. Roman and (ii) for SBS, actual knowledge after due inquiry of Raul Alarcon, Jr. and Joseph A. Garcia.

"Legal Expenses" shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any Person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

"MVPDs" has the meaning set forth in Section 3.19.

"Option" has the meaning set forth in Section 2.1(a).

"Option Date" has the meaning set forth in the first paragraph of this Agreement.

"Option Notice" has the meaning set forth in Section 2.1(b).

"Option Term" has the meaning set forth in Section 2.1(a).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Permitted Encumbrances" has the meaning set forth in Section 2.3(a).

"Programming Agreements" means the TV Programming Agreement and the Radio Programming Agreement.

"P.R. Code" means the Puerto Rico Internal Revenue Code of 2011, as amended.

"Purchase Price" has the meaning set forth in Section 2.4(a).

"Radio Assets" has the meaning set forth in Section 2.2.

"Radio Authorizations" has the meaning set forth in Section 3.8.

"Radio Disclosure Schedule" has the meaning set forth in Article 3.

"Radio Programming Agreement" means that certain Radio Programming Agreement of even date herewith between SBS and IBC, as it hereafter may be amended, modified or supplemented.

"Representatives" has the meaning set forth in Section 5.11.

"Returns" has the meaning set forth in Section 3.7(a).

"SBS" has the meaning set forth in the first paragraph of this Agreement.

"Security Interests" has the meaning set forth in Section 2.3(a).

"Seller" with respect to the TV Assets shall mean IBC, and with respect to the Radio Assets shall mean SBS.

"Seller Indemnitees" has the meaning set forth in Section 10.2(b).

"Subsidiary" means any corporation, partnership, limited liability company or other legal entity with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock, partnership interests, membership interests or other entity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors, managers or general partners.

"Superior Claims" has the meaning set forth in Section 10.1.

"Taxes" has the meaning set forth in Section 3.7(a).

"TV Assets" has the meaning set forth in Section 2.2.

"TV Authorizations" has the meaning set forth in Section 3.8.

"TV Disclosure Schedule" has the meaning set forth in Article 3.

"TV Programming Agreement" means that certain Programming Agreement of even date herewith between IBC and SBS as at hereafter may be amended, modified or supplemented.

ARTICLE 2

PURCHASE AND SALE OF PROPERTIES AND ASSETS

2.1 Option.

(a) In exchange for entering into the Programming Agreements, IBC hereby grants SBS an option to purchase the TV Assets on the terms and conditions set forth in this Agreement (the "Option"). The term of the Option will commence on the Option Date and will terminate on the fifth anniversary of the Option Date (the "Option Term").

(b) Exercise of Option. SBS may exercise the Option at any time during the Option Term by providing a written notice to IBC in accordance with the Notice provisions of this Agreement ("Option Notice" and the date of the Option Notice, the "Binding Date") specifying a proposed Closing Date (subject to satisfaction of the conditions precedent to Closing contained in this Agreement) and as otherwise provided in this Agreement. SBS shall proceed as quickly as possible, consistent with maintaining good relation with its equity holders and debt holders, to obtain the consents necessary to allow it to exercise the Option.

2.2 Radio Assets and TV Assets. At the Closing and on the terms and conditions set forth in this Agreement, SBS with respect to the Radio Assets or IBC, with respect to the TV Assets (in each case, the "Seller") shall sell and IBC or SBS, as applicable (the "Buyer") shall purchase all properties and assets specified on Schedule 2.2(a) (the "Radio Assets") or Schedule 2.2(b) (the "TV Assets"), as applicable. Without limiting the foregoing, the Radio Assets or the TV Assets, as applicable shall include the following:

(a) Licenses and Authorizations. All Authorizations of the FCC associated with the operation of the Radio Stations or TV Stations, as applicable, listed on attached Schedule 2.2(c) (Radio Authorizations) or 2.2(d) (TV Authorizations), all amendments and all applications therefor, any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of Seller, including, without limitation, those required by the FCC.

(b) Franchises, Permits. All franchises, approvals, licenses, orders, registrations, certificates, variances and similar rights obtained from Government Agencies listed on Schedule 2.2(e) (Radio Approvals) or 2.2(f) (TV Approvals).

(c) Excluded Assets. Seller is not selling and Buyer is not purchasing any assets other than those specified in this Section 2.2.

2.3 Liabilities.

(a) Security Interests. As of the Closing, the Radio Assets and the TV Assets, as applicable will be free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the "Security Interests") except for: liens for Taxes (other than state, federal or local Income Taxes and other Taxes of Seller that do not relate to the Radio Assets or TV Assets, as applicable) accruing before the Effective Time that are not yet due and payable. The Security Interests referred to above are collectively referred to herein as "Permitted Encumbrances."

(b) Excluded Liabilities. Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of Seller.

(c) Retained Obligations of Seller. Seller shall retain and shall hereafter pay, satisfy, discharge, perform and fulfill all liabilities and obligations of Seller or relating to the Radio Stations or TV Stations, as applicable, or the Radio Assets or TV Assets, as applicable, as they become due, without any charge or cost to Buyer. Seller agrees to indemnify

and hold Buyer and its successors and assigns harmless from and against any and all such retained obligations in accordance with the terms of Article 10 below.

2.4 Purchase Price, Payment and Allocation.

(a) Purchase Price. The aggregate purchase price for the TV Assets (the "Purchase Price") shall be the sum of (a) \$1,900,000, plus (b) the Radio Assets if the Closing occurs on or prior to September 1, 2017. Thereafter, the cash portion of the Purchase Price shall increase by another 1.5% per annum if the Closing occurs on or after September 2, 2017 but before September 1, 2019. The payment of the Purchase Price is subject to any offset rights under Section 9.20 of that certain TV Programming Agreement between IBC and Spanish Broadcasting System Holding Company, Inc. dated of even date herewith.

(b) Method of Payment. At the Closing, the cash portion of the Purchase Price shall be paid by SBS to IBC by wire transfer pursuant to the instructions of IBC which instructions shall be delivered to SBS at least two business days before the Closing.

(c) Allocation of Purchase Price. Within thirty (30) days after the Closing, SBS shall deliver to IBC a statement of the allocation of the Purchase Price (the "Allocation"). SBS and IBC agree (i) to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code, the regulations thereunder and the Allocation, and to file separately such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither SBS nor IBC will take a position on any tax return inconsistent with the Allocation without the written consent of the other party; *provided, however*, nothing contained in this Agreement shall prevent SBS or IBC from settling any proposed deficiency or adjustment by any taxing authority based on or arising out of the Allocation, and neither SBS nor IBC shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 2.4 shall survive the Closing.

2.5 Adjustments. General Rule. All obligations of Seller under the respective Programming Agreements shall terminate effective as of 11:59:59 p.m. (Puerto Rico Time) on the Closing Date (the "Effective Time") and, to the extent not governed by the terms of the respective Programming Agreements, the operation of the Radio Stations or TV Stations, as applicable, and the income and normal operating expenses attributable thereto through the Effective Time shall be for the account of the respective Seller and thereafter for the account of the respective Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly.


2.6 Closing. The consummation of the transactions provided for in this Agreement (the "Closing") shall take place at the offices of Kaye Scholer LLP, 425 Park Avenue, New York, New York 10022, at 11:00 a.m. on (a) the fifth (5th) business day after the FCC Order becomes Final and all conditions to Closing set forth in Articles 7 and 8 have been satisfied (other than those conditions that by their very nature can only be satisfied at Closing), or (b) if parties mutually waive the finality of the FCC Order, such other place, time or date as the parties may agree on in writing, within five business days after the satisfaction of all conditions to Closing set forth in Articles 7 and 8 (other than those conditions that by their very

nature can only be satisfied at Closing). To the extent feasible, the Closing will be held by overnight mail, electronic transmission, wire transfer, facsimile or combination thereof, without the principals present. The date on which the Closing is to occur is referred to herein as the "Closing Date".

2.7 Continuing Obligations. From and after the Closing Date, the parties will pay the rents and utility charges specified on Schedule 2.7(a) for the premises as are more specifically described on Exhibit 2.7 until such time as the parties mutually agree.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER



Seller (SBS with respect to the Radio Assets and IBC with respect to the TV Assets) represents and warrants to the respective Buyer that the statements contained in this Article 3 are correct and complete as of the Option Date and will be correct and complete as of the Binding Date and the Closing Date (as though made on and as of the Binding Date and the Closing Date, except as set forth in this Article 3 and except as set forth in one of the disclosure Schedules delivered by Seller to Buyer on the Option Date (the "Radio Disclosure Schedule" or the "TV Disclosure Schedule" and together, the "Disclosure Schedules"). The Disclosure Schedules will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 3. Subject to Section 8.6, Seller will provide Buyer an updated Disclosure Schedule within thirty (30) days after the Binding Date.

3.1 Entity Status.

(a) Organization. SBS is duly organized and validly existing under the laws of Delaware and is duly qualified to transact business in Puerto Rico and every other jurisdiction in which the failure to be so qualified would have a material adverse effect on the Radio Stations or the Radio Assets. SBS has the requisite corporate power and authority to carry on its business as it is now being conducted and to own and operate the Radio Stations, and SBS has the requisite corporate power to enter into and complete the transactions contemplated by this Agreement.

(b) Organization. IBC is duly organized and validly existing under the laws of Puerto Rico and is duly qualified to transact business in Puerto Rico and every other jurisdiction in which the failure to be so qualified would have a material adverse effect on the TV Stations or the TV Assets. IBC has the requisite corporate power and authority to carry on its business as it is now being conducted and to own and operate TV Stations and IBC has the requisite corporate power to enter into and complete the transactions contemplated by this Agreement.

3.2 No Options. No Affiliate of Seller or any other Person (other than Buyer) has an interest in, or option to acquire, any of the Radio Assets or TV Assets, as applicable or any property used in the operation of the Radio Stations or the TV Stations, as applicable.

3.3 Entity Action. All actions and proceedings necessary to be taken by or on the part of Seller in connection with the performance, execution and delivery of this Agreement have been duly and validly taken and this Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with and subject to its terms.

3.4 No Defaults. Neither the execution, delivery and performance by Seller of this Agreement nor the consummation by Seller of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the organizational documents of Seller; (b) assuming that the consents: (i) referred to in Section 5.5 or (ii) as are otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of Seller under any contract, mortgage, indenture, agreement, lease or other instrument to which Seller is party or by which it is bound, which violation, conflict, breach or default would have a material adverse effect on Seller or Buyer, the Radio Stations or TV Stations, as applicable, the Radio Assets or TV Assets, as applicable or the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby or result in the creation of any Security Interest on the Radio Assets or TV Assets, as applicable; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Seller, the Radio Stations or TV Stations, as applicable, the Radio Assets or TV Assets, as applicable; or (d) result in the creation or imposition of any lien, charge or encumbrance against the Radio Stations or TV Stations, as applicable, or the Radio Assets or TV Assets, as applicable.

3.5 Contracts and Other Commitments. Seller is not a party to, nor is it bound by, any written or oral contract, agreement, lease, power of attorney, guaranty, surety arrangement or other commitment related to the operation of the Radio Stations or the TV Stations which will be assigned to Buyer pursuant to this Agreement.

3.6 Breach. Seller is not in violation or breach of any of the terms, conditions or provisions of its organizational documents, or other Contract or any indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Radio Stations or TV Stations, as applicable, the Radio Assets or TV Assets, as applicable to which Seller is a party or by which it, the Radio Stations or TV Stations, as applicable, or the Radio Assets or TV Assets, as applicable is bound.

3.7 Taxes.

(a) All federal, state, Commonwealth of Puerto Rico and local returns, reports, estimates and other statements ("Returns") required to have been filed with any jurisdiction with respect to Seller and the operation of the Radio Stations or the TV Stations, as applicable with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, "Taxes") have been duly and timely filed by Seller and each such Return correctly reflects the amount of Taxes required to be reported or paid or both. Seller has paid all Taxes due and payable that it is required to pay

before the Option Date. There are no Taxes that are past due. No consent extending the applicable statute of limitations has been filed by or with respect to Seller with respect to any of such Taxes for any years. There is no action, suit, proceeding, audit, investigation or claim now pending, or to Seller's Knowledge, threatened, regarding any Taxes or any Return of Seller.

(b) Seller has not been a "United States real property holding corporation," as defined in Section 897(c)(2) of the Internal Revenue Code of 1986, as amended, at any time during the applicable period specified in such section.

(c) There are no Tax liens on any of the Radio Assets or TV Assets. None of the Radio Assets or the TV Assets is "tax exempt use property" within the meaning of Section 168(h) of the Code or subject to a lease made pursuant to Section 168(h) of the Code. Seller is not a "foreign Person" as defined in Section 1445(f)(3) of the Code. Seller is engaged in a trade or business in Puerto Rico for purposes of Puerto Rico Income Tax, and the withholding of Puerto Rico Income Taxes on the Purchase Price is not required in accordance with Section 1150 of the P.R. Code or any other applicable laws.

(d) Seller has withheld amounts from its employees of the Radio Stations or TV Stations, as applicable working in its business in accordance with applicable law. With respect to such employees, Seller has filed all Returns required to be filed and paid all required Taxes with respect to employee income tax withholding, social security, Medicare and unemployment taxes and other similar taxes and charges, in compliance with the tax withholding provisions of the Code and other applicable federal, state and local laws.

3.8 Licenses. Seller is the holder of all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary and cable antenna relay service authorizations, if applicable, or authorizations of any governmental or quasi-governmental authority required for the operation of the Radio Stations or TV Stations, as applicable, (collectively, the "Authorizations"). The Authorizations constitute all of the licenses and authorizations required under the Communications Act of 1934, as amended (the "Communications Act"), or the current rules, regulations and policies of the FCC for the operation of the Radio Stations or TV Stations, as applicable as presently operated. The Authorizations are validly issued, in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired and are not subject to any conditions that would require operation of the Radio Stations or TV Stations, as applicable in a manner materially different than their operations as of the Option Date. Except as set forth on Schedule 3.8(a) (Radio Stations) or Schedule 3.8(b) (TV Stations), no waiver of any FCC rule or policy is required for Seller to be the holder of any of the Authorizations. Except as listed on Schedule 3.8(a) (Radio Stations) or Schedule 3.8(b) (TV Stations), (i) there is no pending or, to Seller's Knowledge, threatened action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability), (ii) there is not now issued or outstanding or pending or threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or the Radio Stations or TV Stations, as applicable, and (iii) there are no pending applications filed by Seller seeking to modify or revoke any Authorizations. The Radio Stations or TV Stations, as applicable, are operating in all material respects in compliance with the Authorizations, the Communications Act and the current rules, regulations

and policies of the FCC and all other applicable federal, state, county and local ordinances, rules, regulations and policies. Other than the Authorizations, there are no licenses, permits or authorizations of any governmental or quasi-governmental authority required to operate the Radio Stations or TV Stations, as applicable. Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of the FCC or any Government Agency that are applicable to Seller, the Radio Assets or TV Assets, as applicable or the Radio Stations or TV Stations, as applicable.

3.9 Additional Regulatory Matters.

(a) Reports. All reports and filings required to be filed with the FCC and any other agency of the Federal, State, Commonwealth of Puerto Rico or local government ("Government Agency") by Seller have been timely filed. All such reports and filings are accurate and complete and filed on a timely basis. Seller maintains appropriate public files at the Radio Stations or TV Stations, as applicable as required by FCC rules. With respect to FCC licenses, permits and Authorizations of Seller, Seller is operating only those facilities for which appropriate Authorizations have been obtained from the FCC and are in full force and effect and Seller is complying with the terms and conditions of such Authorizations.

(b) No Notices. Seller has not received notice or other communication indicating that it does not comply with all requirements of (i) the FCC or the Communications Act or (ii) applicable state and local statutes, regulations and ordinances. Seller has no knowledge and has not received any notice or communication, formal or informal, indicating that the FCC or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

(c) RF Radiation. The operation of the Radio Stations or the TV Stations, as applicable, does not cause or result in exposure of workers or the public to levels of radio frequency radiation in violation of FCC rule Section 1.310 or FCC OST/OET Bulletin Number 65.

3.10 Approvals and Consents. The only material approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by Seller in connection with the consummation of the transactions contemplated by this Agreement are those which are contemplated by Section 5.4(a) (Third Party Consents - SBS) or Section 5.4(b) (Third Party Consents - IBC) ("Consents") and Section 5.7 FCC Consents ("FCC Consents"). Any approvals under the Contracts or with any governmental division, regulatory authority or agency are "material" for purposes of this Section 3.10. Other than as set forth on Schedule 5.4(a) or Schedule 5.4(b) no approval or consent of the holders of the Security Interest or any other security holder is required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

3.11 Condition of Assets.

(a) Equipment and Tangible Personal Property. Schedule 2.2(a) (with respect to the Radio Assets or Schedule 2.2(b) (with respect to the TV Assets) contains a true and

complete list as of the Option Date of all items of equipment and tangible personal property being purchased by Buyer under this Agreement.

(b) Good Title, Good Operating Condition. Seller has good, valid and marketable title to or the unrestricted right to use all of the assets being purchased by Buyer hereunder free and clear of all Security Interests. All such assets are in good operating condition and repair, normal wear and tear excepted, and has been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC in all material respects.

3.12 Environmental Matters. With respect to the ownership and operation of the Radio Stations or TV Stations, as applicable, (a) Seller is in compliance with all Environmental Laws; (b) Seller holds all the permits, licenses and approvals of governmental authorities necessary for the current use, occupancy or operation of the Radio Stations or TV Stations, as applicable under applicable Environmental Laws ("Environmental Permits"); (c) Seller is in compliance with any such Environmental Permits; (d) all such Environmental Permits are transferable to Buyer without the consent of any Government Agency; and (e) to Seller's Knowledge, there are no underground or aboveground storage tanks on any of the real property on which the Radio Stations or TV Stations, as applicable, are located. No Hazardous Materials have been released, generated, stored or transported at, on, in, from or under the real property on which the Radio Stations or TV Stations, as applicable, are located. There are no quantities or concentrations of Hazardous Materials at, on, in or under the real property on which the Radio Stations or TV Stations, as applicable, are located that pose an unacceptable risk to human health or the environment under Environmental Laws. Seller has not entered into, agreed to or is subject of any order of any Government Agency under any Environmental Laws.

3.13 Insolvency Proceedings. Neither Seller nor any of the Radio Stations or TV Stations, as applicable, or any of the Radio Assets or TV Assets, as applicable, are the subject of any pending or, to the Knowledge of Seller, threatened insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary. In respect of the Radio Assets or TV Assets, as applicable, Seller has not made an assignment for the benefit of creditors, fraudulent conveyances, preferences or transfers nor has Seller taken any action in contemplation of the institution of any such insolvency proceedings.

3.14 Compliance with Law and Regulations. The Radio Stations or TV Stations, as applicable, or any of the Radio Assets or TV Assets, as applicable, and Seller are, in all material respects, in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them.

3.15 Labor, Employment Contracts and Benefit Programs.

(a) No Collective Bargaining Agreements. There are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering any employees, consultants or agents of Seller. All employees of Seller are employees-at-will. Seller is not engaged in any unfair labor practice or other unlawful employment practice and there are no unfair labor practice charges or

other employee-related complaints, grievances or arbitrations against Seller pending or threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal or any other federal, state, local or other governmental authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or threatened with respect to any of the employees of the Radio Stations or TV Stations, as applicable. Buyer shall have no obligation with respect to any Seller employees whether before or after the Closing Date.

(b) Compliance. Seller has complied materially in the past, and is now in material compliance with, all labor and employment laws including, without limitation, federal, state, local and other applicable laws, rules, regulations, ordinances, orders and decrees concerning collective bargaining, unfair labor practices, payments of employment taxes, occupational safety and health, worker's compensation, the payment of wages and overtime and equal employment opportunity. Seller is not liable for any arrears for wages, benefits, Taxes, damages or penalties for failing to comply with any law, rule, regulation, ordinance, order or decree relating in any way to labor or employment.

3.16 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending or, to Seller's Knowledge, threatened against Seller relating to the Radio Stations or TV Stations, as applicable nor is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Radio Stations or the TV Stations, as applicable, or the Radio Assets or TV Assets, as applicable, of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality.

3.17 Brokers. There is no broker or finder or other Person who would have any valid claim through Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

3.18 FAA Compliance. Seller and the Radio Assets or TV Assets, as applicable, are in material compliance with the rules and regulations of the Federal Aviation Administration (the "FAA") applicable to the Radio Stations or the TV Stations, as applicable. All towers used by Seller are in material compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other governmental authority.


3.19 Cable Matters. Consummation of the transactions contemplated hereunder will not require consent of any person with respect to carriage pursuant to a retransmission consent agreement on any multichannel video programming distributors, including but not limited to cable systems, SMATV, open video systems, MMDS, MDS, Broadband Radio Service and DBS systems (collectively, "MVPD"). No MVPD has declined or refused to carry the TV Stations or disputed a TV Stations' right to carriage pursuant to the Stations' must-carry or retransmission consent election, as the case may be. IBC shall timely provide a new must carry notice or retransmission consent notice (as directed by SBS) for the Stations to the extent the Stations have mandatory carriage rights in accordance with the provisions of the

Communications Laws for the three-year periods ending December 31, 2017 and December 31, 2020 to all MVPDs in Puerto Rico no later than their respective and applicable FCC cut-off/deadline submission dates to guarantee must carry or retransmission for the next three (3) year period.

3.20 Digital Broadcasting. With respect to the TV Stations, the TV Stations have been assigned by the FCC the digital channel listed on Schedule 2.2(f) for the provision of DTV service, and the Authorizations include the FCC authorizations for such digital channel. The TV Stations are broadcasting their DTV signals in material compliance with such authorizations, and the TV Stations are in compliance in all material respects with the FCC's build-out and operational requirements for digital television, and no further construction or facilities modifications will be required to meet such requirements. Neither Seller nor any person on behalf of Seller has leased, licensed, assigned, conveyed or otherwise encumbered a TV Stations' digital spectrum or any portion thereof or granted rights to any party to broadcast on a TV Stations' digital spectrum or any portion thereof.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER



Buyer (IBC with respect to the Radio Assets and SBS with respect to the TV Assets) represents and warrants to Seller that the statements contained in this Article 4 are correct and complete as of the Option Date and will be correct and complete as of the Binding Date and Closing Date (as though made on and as of the Binding Date and the Closing Date), except as set forth in this Article 4 and except as set forth in the disclosure Schedule delivered by Buyer to Seller on the Option Date (the "Buyer Disclosure Schedule"). The Buyer Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 4. Buyer will provide Seller an updated Buyer Disclosure Schedule within thirty (30) days after the Binding Date:

4.1 Qualification as a Broadcast Licensee. Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. Except as set forth on Schedule 4.1(a) (with respect to SBS) or Schedule 4.1(b) (with respect to IBC), Buyer is legally and financially qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Radio Stations or TV Stations, as applicable from Seller. Except as set forth on Schedule 4.1(a) or Schedule 4.1(b), there is no fact or condition known to Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Radio Stations or TV Stations, as applicable or constitute grounds for the filing of a petition to deny or objection related to the qualifications of Buyer or that would reasonably be expected to result in a delay for FCC approval of the assignment applications. Except as set forth on Schedule 4.1(a) or Schedule 4.1(b), to Buyer's Knowledge, no waiver of any FCC rule, regulation or policy existing as of the Option Date will be required, with respect to Buyer, to obtain FCC approval of the assignment applications.

4.2 Status.

(a) Organization. SBS is a corporation duly organized, in good standing and validly existing under the laws of Delaware. SBS is (or will be at the Closing) duly authorized to transact business in the Commonwealth of Puerto Rico. SBS has the requisite power to enter into and complete the transactions contemplated by this Agreement.

(b) Organization. IBC is a corporation duly organized, in good standing and validly existing under the laws of Puerto Rico. IBC is (or will be at the Closing) duly authorized to transact business in the Commonwealth of Puerto Rico. IBC has the requisite power to enter into and complete the transactions contemplated by this Agreement.

(c) Approvals and Consents. There are no approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by Buyer in connection with the consummation of the transactions contemplated by this Agreement other than the FCC Order.

4.3 No Defaults. Neither the execution, delivery and performance by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the organizational documents of Buyer, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any material contract, mortgage, indenture, agreement, lease or other instrument to which Buyer is a party or by which it or any of its material assets are bound, or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Buyer or the assets of Buyer.

4.4 Entity Action. All corporate actions and proceedings required to be taken by or on the part of Buyer under applicable law, in connection with its performance, execution and delivery of this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with and subject to its terms.

4.5 Brokers. There is no broker or finder or other Person who would have any valid claim through Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by Buyer.

ARTICLE 5

COVENANTS OF SELLER PENDING THE CLOSING

Seller (SBS with respect to the Radio Assets and IBC with respect to the TV Assets) covenants and agrees that, from the Option Date until the termination of this Agreement or the completion of the Closing:

5.1 Operations of the Business.

(a) Ordinary Operations. Until the Closing, Seller will use its commercially reasonable efforts to carry on operations of the Radio Stations or TV Stations, as applicable, as contemplated by the respective Programming Agreements. Seller shall operate the Radio Stations or TV Stations, as applicable in compliance with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC rules and regulations. Seller shall timely file all reports and other filings required to be filed by any Government Agency, including, without limitation, the FCC. Seller shall pay and discharge all of its debts and obligations relating to the Radio Stations or TV Stations, as applicable. To the extent that any real property leases grant Seller the right to renew or extend such real property leases on terms and conditions provided in such existing leases, then Seller shall have the right exercise such rights. Seller shall provide Buyer reasonable notice before Seller exercises or allows such rights to lapse.

(b) Assets in Good Repair. Subject to the terms of the respective Programming Agreements, all equipment and tangible personal property shall be maintained in good operating condition and repair, normal wear and tear excepted. Seller shall use, its commercially reasonable efforts to preserve intact the Radio Assets or TV Assets, as applicable and to maintain in effect the casualty and liability insurance on such Assets heretofore in force.

5.2 Prohibited Actions. Except as otherwise specifically provided in the respective Programming Agreement, before the Closing Date, Seller shall not, without the prior written consent of Buyer:

(a) Sell, lease or transfer or agree to sell, lease or transfer, any Radio Assets or TV Assets, except for incidental sales or leases of Radio Assets or TV Assets in the ordinary course of business that are being replaced by assets of comparable or superior kind, condition and value;

(b) Subject to Seller's right to renew real property leases set forth in Section 5.1(a) or except in the ordinary course of business, renegotiate, modify, renew, amend, or terminate any existing Contracts;

(c) Make any change in the Radio Stations' or TV Stations', as applicable, buildings, leasehold improvements or fixtures, except in the ordinary course of business;

(d) Apply to the FCC for any construction permit that would restrict or modify Seller's present operations;

(e) Make or attempt to make any change in the Authorizations, other than renewals or extensions necessary to keep such Authorizations in full force and effect;

(f) Enter into any Contract, affecting the Radio Assets or TV Assets, as applicable, other than as contemplated by the respective Programming Agreements.

5.3 Representations and Warranties. Seller shall give detailed written notice to Buyer promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller on or before the Option Date, of any of Seller's representations or warranties contained in this Agreement or in any Schedule attached hereto; provided, however, that any such notice shall not affect Seller's liabilities or obligations hereunder or Buyer's rights and interests hereunder.

5.4 Seller Consents. Seller shall use its commercially reasonable efforts to obtain the consent or approval of any third party required under any Contract to which Seller is a party in order to permit Seller to consummate this Agreement. SBS shall require the consents listed on Schedule 5.4(a) to consummate the transactions contemplated by this Agreement. IBC shall require the consents listed on Schedule 5.4(b) to consummate the transactions contemplated by this Agreement. Each party shall keep the other informed periodically as to the status of obtaining such consents.

5.5 Notice of Proceedings. Seller will promptly notify Buyer in writing on: (a) receiving notice or a copy of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

5.6 Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, Seller shall fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be fully carried out; provided, however, to the extent Seller's covenants and obligations do not become effective until Buyer exercises the Option, Seller shall not be bound with respect thereto unless and until Buyer exercises of the Option.

5.7 Applications for FCC Consents. As promptly as practicable after the delivery of the Option Notice and in no event later than five (5) business days thereafter, SBS and IBC shall each file an application requesting the FCC's written consent to the assignment of the Authorizations to Buyer. SBS and IBC shall use their commercially reasonable efforts to prosecute the applications to a favorable conclusion. Each party shall promptly provide the other with a copy of any pleading, order or other document served on such party relating to such applications. Without limiting the foregoing, SBS and IBC shall fully cooperate in the taking of all necessary and proper steps, and provide any additional information reasonably requested, and use their respective commercially reasonable efforts to resolve objections that may be asserted by the FCC or any third party, in order to obtain the FCC's consent promptly; provided however,

that Buyer shall not be required to agree to divest any station owned by Buyer as of the date of this Agreement as a precondition to obtaining the FCC consent to assignment of the Authorizations. If reconsideration or judicial review is sought with respect to the FCC's consent, the party or parties affected shall diligently oppose such efforts for reconsideration or judicial review. Each party shall notify the other party of all documents filed with or received from the FCC. If either party becomes aware of any fact or circumstance that would prevent or delay the FCC's consent, it shall promptly notify the other party thereof. If Closing occurs hereunder without the FCC Order and any required extension of the terms thereof becoming Final, then the parties' obligations under this Section shall survive the Closing until the FCC Order and all such consents and extensions become Final.

5.8 Publicity. None of Seller, Buyer, nor any of their respective Affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless such release or statement has been consented to by the other party or if release or public statement is required by applicable law and then only after the other party shall have had the prior opportunity to review and comment thereof for at least one business day prior to such required disclosure.

5.9 Exclusivity. Neither SBS nor IBC will (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any of the Radio Assets or the TV Assets, as applicable, or any portion thereof (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any negotiations regarding, furnish any information with respect to, assist, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. SBS and IBS will each notify the other immediately if any Person makes any proposal, offer, inquiry or contact with respect to any of the foregoing.

5.10 Taxes.

(a) Seller shall be liable for and shall pay when due all Taxes (whether assessed or unassessed) applicable to the Radio Assets or TV Assets, as applicable or the Radio Stations or TV Stations, as applicable, in each case attributable to periods (or portions thereof) ending on or prior to the Effective Time, Buyer shall be liable for and shall pay when due all Taxes (whether assessed or unassessed) applicable to the Radio Assets or TV Assets, as applicable or the Radio Stations or TV Stations, as applicable, in each case attributable to periods (or portions thereof) beginning after the Effective Time. For purposes of this Section 5.10(a), any period beginning before and ending after the Effective Time shall be treated as two partial periods, one ending at the Effective Time and the other beginning after the Effective Time. With respect to real property Taxes that relate to periods both prior to and after the Effective Time, the party making such payment shall be reimbursed by the other party pro-rata to the period for which such other party was responsible for such Taxes.

(b) All Returns not required to be filed on or before the date hereof (i) will, to the extent required to be filed on or before the Effective Time, be timely filed (giving consideration to any applicable extensions) by Seller in accordance with all applicable Laws, and (ii) as of the time of filing, will correctly reflect, in all material respects, the income, business,

assets, operations, activities and status of the Radio Assets or TV Assets, as applicable, the Radio Stations or TV Stations, as applicable, and Seller and any other information required to be shown therein.

(c) Seller or Buyer, as the case may be, shall provide reimbursement for any Tax paid by the other party, all or a portion of which is the responsibility of Seller or Buyer, as the case may be, in accordance with the terms of this Agreement. Within a reasonable time before the payment of any such Tax, the party paying such Tax shall give notice to the other party of the Tax payable and the portion that is the liability of each party, although failure to do so will not relieve the other party from its liability hereunder.

5.11 Confidentiality. Any and all information, disclosures, knowledge or facts regarding either party and its operations derived from or resulting from the other party's acts or conduct (including, without limitation, acts or conduct of such party's managers, partners, officers, employees, accountants, counsel, agents, consultants or representatives, or any of them (collectively, "Representatives")) under the provisions of this Section or otherwise obtained by such party (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to each party's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and each party shall be responsible for any breach of confidentiality by any such Person.

ARTICLE 6

COVENANTS OF BUYER PENDING THE CLOSING

Buyer (IBC with respect to the Radio Assets and SBS with respect to the TV Assets) covenants and agrees that from the Option Date until the completion of the Closing:

6.1 Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, Buyer shall fulfill and perform all covenants and obligations on its part to be fulfilled and performed under this Agreement and to cause the transactions contemplated by this Agreement to be fully carried out.

6.2 Notice of Proceedings. Buyer will promptly notify Seller in writing on: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

6.3 Buyer Consents. Buyer shall use its commercially reasonable efforts to obtain the consent or approval of any third party under any Contract to which Buyer is a party in order to permit Buyer to consummate the transactions contemplated by this Agreement. Each party shall keep the other informed as to its progress in obtaining such consents.

ARTICLE 7

CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller (SBS with respect to the Radio Assets and IBC with respect to the TV Assets) under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

7.1 Representations, Warranties and Covenants.

(a) Representations True. The representations and warranties of Buyer made in this Agreement that are qualified as to materiality shall be true and correct on the Option Date and on and as of the Binding Date and Closing Date as though made on and as of the Closing Date (except that representations and warranties that by their terms speak as of some other date need to be true and correct only as of such specified date) and all other representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects (without regard to any updates to the Buyer Disclosure Schedule) on the Option Date and on and as of the Binding Date and Closing Date as though made on and as of the Binding Date and Closing Date (except that representations and warranties that by their terms speak as of some other date need be true and correct in all material respects only as of such specified date);

(b) Buyer Compliance. Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

(c) Certificate of Buyer. Buyer shall furnish Seller with a certificate, dated the Closing Date and duly executed by an officer or manager of Buyer to the effect that the conditions set forth in Section 7.1 (a) and Section 7.1(b) have been satisfied; and

(d) Other Documents. Buyer shall furnish Seller with such certificates, documents or instruments with respect to Buyer as Seller may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

7.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by Seller pursuant to this Section 7.2 before the Final Closing Date but the Closing shall be delayed during such period.

7.3 Deliveries. Buyer shall have complied with each and every one of its obligations set forth in Section 9.2.

7.4 Authorizations. Except as otherwise contemplated by Section 2.6, the FCC Order with respect to the Radio Stations or the TV Stations, as applicable, shall have been granted and shall be effective.

7.5 Other Consents. Buyer shall have obtained all consents, approvals and waivers of Government Agencies and other persons or parties as are required for the consummation of the transactions contemplated by this Agreement, including consents from its bondholders and, if necessary, its stockholders. SBS shall keep IBC informed as to its progress in obtaining such consents.

ARTICLE 8

CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

8.1 Representations, Warranties and Covenants.

(a) Representations True. The representations and warranties of Seller made in this Agreement that are qualified as to materiality shall be true and correct (without regard to any updates to the Disclosure Schedule) on the Option Date and on and as of the Binding Date and Closing Date as though made on and as of the Closing Date (except that representations and warranties that by their terms speak as of some other date need be true and correct only as of such specified date) and all other representations and warranties of Seller made in this Agreement shall be true and correct in all material respects (without regard to any updates on the Disclosure Schedules on the Option Date and on and as of the Binding Date and Closing Date as though made on and as of the Binding Date and Closing Date (except that representations and warranties that by their terms speak as of some other date need be true and correct in all material respects only as of such specified date)

(b) Seller's Performance. Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by them before or on the Closing Date;

(c) Seller's Certificates. Seller shall have furnished Buyer with certificates, dated the Closing Date and duly executed by the President of Seller, to the effect that the conditions set forth in Section 8.1(a) and Section 8.1(b) have been satisfied; and

(d) Other Documents. Seller shall furnish Buyer with such certificates, documents or instruments with respect to Seller as Buyer may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

8.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. If such a restraining order or injunction is in effect, then this Agreement may not be terminated by Buyer pursuant to this Section 8.2 before the Final Closing Date, but the Closing shall be delayed during such period.

8.3 Liens Released. All Security Interests pertaining to the Radio Assets or TV Assets, as applicable, shall be released of record and there shall be no liens on such assets, except for Permitted Encumbrances.

8.4 Deliveries. Seller shall have complied with each and every one of its respective obligations set forth in Section 9.1.

8.5 Other Consents. Seller shall have obtained all consents, approvals and waivers of Government Agencies as are required for the consummation of the transactions contemplated by this Agreement, including consents from its bondholders and, if applicable, its stockholders.

8.6 Revised Schedules. Seller shall have delivered to Buyer such revised forms of each of the Disclosure Schedules or updated information for addition to or inclusion in the Disclosure Schedules as are necessary to reflect changes in such Schedules as of the Binding Date and the Closing Date; *provided, however*, that, except for changes that are permitted by the terms of this Agreement, no change in any Disclosure Schedule will be binding on Buyer without its prior written consent, which consent may be withheld by Buyer for any or no reason in its sole discretion.

8.7 Authorizations. Except as otherwise contemplated by Section 2.7, the FCC Order with respect to the Radio Stations or the TV Stations, as applicable, shall be effective and shall have become Final.

ARTICLE 9

ITEMS TO BE DELIVERED AT THE CLOSING

9.1 Deliveries by Seller. At the Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) Bills of Sale; Assignments. Bills of sale, assignments of Authorizations, assignments and assumptions, certificates of title, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance reasonably satisfactory to Buyer, sufficient to sell, convey, transfer and assign to Buyer all right, title and interest of Seller in and to the Radio Assets or TV Assets, as applicable and the Radio Stations or TV Stations, as applicable and to quiet Buyer's title thereto;

(b) Board Resolutions. Certified copies of any authorizations of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby; and

(c) Officer's Certificate. The certificate referred to in Section 8.1(c).

9.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) Resolutions. Certified copies of resolutions, duly adopted by the board of directors of Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Buyer; and

(b) Officer's Certificate. The certificate referred to in Section 7.1(c).

9.3 Deliveries by SBS. At the Closing SBS will pay the Purchase Price to IBC as specified in Section 2.4(a).

ARTICLE 10

SURVIVAL; INDEMNIFICATION

10.1 Survival. All representations and warranties contained in this Agreement or in any Schedule, certificate, agreement or statement delivered pursuant hereto, shall survive the Closing, any investigation conducted by any party hereto and any information which any party may receive, until twenty-four (24) months after the Closing Date whereon all such representations, warranties, and indemnities with respect thereto, shall expire and terminate and shall be of no further force or effect; *provided, however*, that representations and warranties and indemnities with respect to a title matter, Tax matter or an environmental matter (collectively, "Superior Claims") may be asserted at any time on or before the expiration of the limitations period under applicable law. If a Deficiency is asserted by either party, before the thirtieth (30th) day after the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below.

10.2 Basic Provision.

(a) Buyer Indemnitees. Seller (SBS with respect to the Radio Assets and IBC with respect to the TV Assets) ("Indemnifying Party") hereby, jointly and severally, agree to indemnify and hold harmless Buyer, its directors, officers, agents, representatives and employees and all persons who directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Buyer, and its respective successors and assigns (collectively, the "Buyer Indemnitees") from, against and with respect to, and to reimburse Buyer Indemnitees for the amount of any and all Deficiencies.

(b) Seller Indemnitees. Buyer (IBC with respect to the Radio Assets and SBS with respect to the TV Assets) ("Indemnifying Party"), hereby agrees to indemnify and hold harmless Seller, Licensee and their partners, members, officers, agents, representatives, employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Seller, and its respective successors and assigns (collectively, the "Seller Indemnitees") from, against and with respect to, and to reimburse Seller Indemnitees for the amount of any and all Deficiencies.

10.3 Definition of Deficiencies.

(a) Deficiencies for Buyer. As used in this Article 10, the term "Deficiencies" when asserted by Buyer Indemnitees or arising out of a third party claim against Buyer Indemnitees shall mean any and all losses, fines, damages, liabilities and claims sustained by Buyer Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation or breach or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of Seller contained in or made in this Agreement or in a Schedule, certificate, agreement or statement delivered pursuant to this Agreement;

(ii) Any failure by Seller to pay or discharge as it becomes due any Excluded Liability or any other liability of Seller and Seller Indemnitees, direct or contingent, that is not expressly assumed by Buyer pursuant to the provisions of this Agreement or the Programming Agreement;

(iii) Provided Buyer has complied in all material respects with its obligations under the respective Programming Agreement regarding such matters, any litigation, proceeding or claim by any third party to the extent relating to the business or operations of Seller, the Radio Assets or the TV Assets, as applicable or the Radio Stations or the TV Stations, as applicable, before the Effective Time;

(iv) Except for obligations or liabilities of Buyer arising under the respective Programming Agreement or expressly assumed by Buyer under this Agreement, Seller's operation of the Radio Stations or the TV Stations, as applicable, or the ownership of the Radio Assets or TV Assets, as applicable, before the Effective Time (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by Seller under any lease, contract, or agreement or under this Agreement before the Effective Time);

(v) Except for obligations or liabilities of Buyer arising under the Programming Agreement or expressly assumed by Buyer under this Agreement, any transaction entered into by Seller or arising in connection with the Radio Stations or the TV Stations, as applicable, or the operation of its business or any of the Radio Assets or TV Assets, as applicable before the Effective Time;

(vi) Any fees, costs, expenses or other liability under any music license agreement, including with BMI, ASCAP or SESAC, entered into by Seller related to periods before the Effective Time; or

(vii) Any and all acts, suits, proceedings, demands, assessments and judgments incident to any of the foregoing or otherwise against Seller or with respect to the Radio Assets or the TV Assets, as applicable, or the Radio Stations or the TV Stations, as applicable, relating to facts or circumstances arising prior to the Effective Time and all reasonable fees, costs and expenses of any kind, related (including, without limitation, any and all Legal Expenses).

(b) Deficiencies for Seller. As used in this Article 10, the term "Deficiencies" when asserted by Seller Indemnitees or arising out of a third party claim against

Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by Seller Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation or breach or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of Buyer contained in or made in this Agreement, or in a Schedule, certificate, statement or agreement delivered pursuant to this Agreement;

(ii) Provided Seller has complied in all material respects with its obligations under the respective Programming Agreement regarding such matters, any litigation, proceeding or claim by any third party to the extent relating to the business or operations of Buyer or the Radio Stations or the TV Stations, as applicable, after the Closing Date;

(iii) Except for the Excluded Liabilities, Buyer's operation of the Radio Stations or the TV Stations, as applicable, or the ownership of the Radio Assets or the TV Assets, as applicable, after the Closing Date (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by Buyer under any lease, contract, or agreement or under this Agreement after the Closing Date);

(iv) Any transaction entered into by Buyer or arising in connection with the Radio Stations or the TV Stations, as applicable, or the operation of its business or any of the Radio Assets or the TV Assets, as applicable, after the Closing Date; or

(v) Any and all acts, suits, proceedings, demands, assessments and judgments and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses).

10.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. If any claim is to be asserted by any third party against Buyer Indemnitees or Seller Indemnitees (Buyer Indemnitees or Seller Indemnitees, as the case may be, hereinafter, the "Indemnitees") that, if sustained, could reasonably be expected to result in a Deficiency, then the Indemnitees, promptly and in all events within fifteen (15) business days after learning of such claim, shall notify the Indemnifying Party of such claim and Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection. The parties will cooperate fully in any such action and shall make available to each other any books or records useful for the defense of such claim. No settlement or compromise of any claim that may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (a) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses, (b) the settlement or compromise consists solely of

money damages and the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses and (c) the settlement or compromise does not involve any admission of wrong doing on the part of any Indemnitee and the Indemnifying Party obtains a release of the Indemnitees from all liability with respect to such claim.

(b) Notice. If the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of thirty (30) days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. If, however, that a Contest Notice is given to the Indemnitees within such thirty-(30-) day period, then the contested assertion of a Deficiency shall be resolved judicially.

(c) Agreement. The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency and, on the execution of such agreement, such Deficiency shall be deemed established.

10.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within thirty (30) days after the establishment thereof. The amount of established Deficiencies shall be paid in cash. Any amounts not paid by the Indemnifying Party when due under this Section shall bear interest from and after the due date thereof until the date paid at a rate equal to the lesser of: (a) 12% per annum and (b) the highest legal rate permitted by applicable law. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation any of the Indemnitees may have to the Indemnitees, including, without limitation, arising out of a Deficiency established pursuant to Section 10.4 to an Indemnifying Party or pursuant to the Payment Purchase Agreement.

ARTICLE 11

MISCELLANEOUS

11.1 Termination of Agreement. This Agreement may be terminated in writing at any time on or before the Closing Date:

- (a) by the mutual consent of Seller and Buyer;
- (b) by SBS, if SBS has rightfully terminated the TV Programming Agreement as the result of a default thereunder by IBC;
- (c) by IBC, if IBC has rightfully terminated the Radio Programming Agreement as the result of a default thereunder by SBS;

(d) by Buyer, if Seller has breached any of its material obligations under this Agreement and Seller has not cured such breach within thirty (30) days after receipt by Seller of notice of breach from Buyer and Buyer has satisfied or is prepared and able (but for Seller's defaults) to satisfy the conditions of Article 7; and

(e) by Seller, if Buyer has breached any of its material obligations under this Agreement and Buyer has not cured such breach within thirty (30) days after receipt by Buyer of notice of breach from Seller and Seller has satisfied or is prepared and able (but for Buyer's defaults) to satisfy the conditions of Article 8.

A termination pursuant to this Article 11 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement. If this Agreement is terminated rightfully pursuant to this Article 11, all further obligations of the parties hereunder shall terminate, except that all obligations for confidentiality under Section 5.11 shall survive such termination for a period of three (3) years.

11.2 Liabilities on Termination or Breach. The parties acknowledge that the operation of the Radio Stations or TV Stations, as applicable is of a special, unique and extraordinary character. On a material breach by Seller of its representations, warranties, covenants and agreements under this Agreement, in addition to such other remedies available to Buyer, Buyer shall be entitled to enforce this Agreement by a decree or decrees of specific performance requiring Seller to fulfill its obligations under this Agreement. On a material breach by Buyer of its representations, warranties, covenants and agreements under this Agreement, Seller shall have all remedies available to Seller at law or in equity.

11.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith.

11.4 Remedies Cumulative. Subject to the limitations set forth in this Agreement, the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

11.5 Preservation of Records. Buyer will preserve and make available (including the right to inspect and copy) to Seller, its attorneys and accountants, for three years after the Closing Date and during normal business hours, such of the books, records, files, correspondence, memoranda and other documents transferred pursuant to this Agreement as Seller may reasonably require in connection with any legitimate purpose, including, but not limited to, the preparation of tax reports and returns and the preparation of financial statements. During the three-year period, Buyer will not dispose of or destroy any such books, records, files, correspondence, memoranda or other documents without giving thirty (30) days' prior written notice to Seller, to permit Seller, at its expense, to examine, duplicate or take possession of all or part thereof.

11.6 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract that is by law non-

assignable without the consent of the other party or parties thereto, unless such consent shall be given. Seller shall use its commercially reasonable efforts (and Buyer shall assist Seller) both after and before the Closing to obtain such consents to the assignment or transfer of Contracts to vest in Buyer all of Seller's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer. If such consent is not obtained, Seller shall cooperate with Buyer in any arrangements necessary or desirable, on commercially reasonable terms, to provide for Buyer to have the benefits and to have Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of Buyer, and assumption by Buyer of the costs of enforcing, any and all rights of Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

11.7 Further Assurances. From time to time before, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

11.8 Risk of Loss. Subject to the provisions of the respective Programming Agreement, and unless any loss was occasioned by Buyer in the course of operating under the Programming Agreement, the risk of loss, damage or destruction to any of the Radio Assets or TV Assets, as applicable, from fire or other casualty or cause shall be borne by Seller at all times before the Effective Time. On any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any loss or damage to any of the Radio Assets or TV Assets, as applicable, from fire, casualty or other causes before the Closing, Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage. If the damaged property is not completely repaired, replaced or restored on or before the Closing Date, Buyer at its sole option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored to the reasonable satisfaction of Buyer if the repair, replacement or restoration can be accomplished within one month following the date of the loss or damage or the Final Closing Date, whichever is the earlier and (b) may elect to consummate the Closing and accept the property in its then condition, in which event Seller shall pay to Buyer all proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement without liability to any party.

11.9 Employees. Buyer shall not offer employment to any such employees of Seller and Seller shall be responsible for any costs and expenses for terminating or otherwise relocating any of its employees. Each party agrees that it will not hire, for a period of twelve (12) months after the date hereof, any employee of the other party with the following exceptions:

(a) If the employer dismissed the employee for reasons not related to the other party's hiring such employee.

(b) If the employer did not renew a contract for an employee for reasons not related to the other party's hiring the employee.

(c) If the employee resigned due to attaining retirement age.

(d) If the employee resigned and more than six months has passed since the resignation.

Before either party hires an employee of the other party who may be covered by the above exceptions, such party will notify the other in writing with a minimum of ten labor days advance notice of its intention to so hire, so that the other party will either agree or not agree to the hiring. If the parties herein do not come to a mutual agreement on the proposed hiring, then such employee or former employee will not be hired. It is understood that IBC uses the services of Mr. Rey Moreira and will continue to do so on its own free will.

11.10 Failure to Obtain Consents. If this Agreement hasn't Closed within its five year term due to SBS's not having obtained the necessary consents, despite its efforts to do so, SBS shall have the right to assign its purchase rights to another party which is able to obtain such consents and close by paying IBC the purchase price and otherwise complying with this Agreement (other than the five year term). In such case, the Television Programming Agreement will be extended for a sufficient period of time to allow the parties to consummate the purchase. If SBS does not exercise such right, IBC will have the option to continue the Television Programming Agreement on whatever terms the parties shall mutually agree. If SBS is able to purchase the TV Stations pursuant to this Agreement or assigns its rights to an entity which is able to make such purchase and IBC is not able to transfer the TV Stations for any reason, the Television Programming Agreement, at SBS's option, shall remain in effect upon the then current terms until such time as IBC is able to transfer the TV Stations to SBS or its assignee.

ARTICLE 12

GENERAL PROVISIONS

12.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Seller may not assign any rights or delegate any duties hereunder without the prior written consent of Buyer. Buyer may assign some or all of its rights and obligations hereunder to any Subsidiary or Affiliate of Buyer, as long as Buyer remains fully obligated to fulfill all obligations of Buyer under this Agreement. Buyer may assign its rights and obligations hereunder to a third party with the consent of Seller which shall not unreasonably be withheld.

12.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the party waiving compliance. The failure

of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

12.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile or other electronic transmission) and shall be deemed to have been duly made and received on the first business day after such notice has been personally served, delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by electronic transmission or other facsimile communications equipment, the first business day after delivery by such equipment, addressed as set forth below:

(a) If to IBC then to:

International Broadcasting Corp.
Calle Bori #1554
San Juan, Puerto Rico 00927
Attn: Angel O. Roman

with a copy, given in the manner prescribed above, to:

Dora M. Peñagaricano
McConnell Valdes LLC
P. O. Box 364225
San Juan, Puerto Rico 00936-4225
Telephone: (787) 250-5657
Fax: (787) 759-2798

(b) If to SBS then to:


Spanish Broadcasting System, Inc.
7007 N.W. 77 Avenue
Miami, Florida 33166
Phone: (305) 441-6901
Facsimile: (305) 883-3336
Attn: Joseph A. Garcia
Executive Vice President and Chief Financial Officer

with a copy, given in the manner prescribed above, to:

Kaye Scholer LLP
425 Park Avenue
New York, New York 10022
Telephone: (212) 836-8556
Facsimile: (212) 836-6556
Attn: William E. Wallace, Jr.

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

12.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.



12.5 Governing Law; Venue. THIS AGREEMENT AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF PUERTO RICO, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS. Any controversy or claim arising out of or related to this Agreement that the parties are unable to resolve shall be submitted to the state or federal courts located in Puerto Rico, and shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both parties submit.

12.6 Entire Agreement. This Agreement and the Schedules hereto, along with the Programming Agreements and the Schedules, thereto, and the other documents delivered hereunder constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof, including without limitation the Letter of Intent between the parties finalized as of October 4, 2013. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

12.7 Execution; Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

12.8 Gender and Tense. Where appropriate to the context, pronouns of other terms expressed in one number or gender will be deemed to include all other numbers or genders. The use of a word in one tense will include the other tenses, where appropriate to the context.

12.9 Third-Party Beneficiaries. This Agreement is intended to benefit only the parties to this Agreement, their successors and permitted assigns. No other Person is an intended or incidental beneficiary of this Agreement.

12.10 No Party Deemed Drafter. The parties acknowledge that they have been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claim ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. Provisions of this Agreement shall be interpreted in a reasonable manner to affect the intent of the parties.

12.11 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law, but only as long as the continued validity, legality and enforceability of such provision or application does not materially (a) alter the terms of this Agreement or (b) diminish the benefits or burdens of this Agreement.

12.12 Waiver of Jury Trial. EACH PARTY HEREBY (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY A JURY, AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY, BY EACH PARTY, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. EITHER PARTY IS HEREBY AUTHORIZED AND REQUESTED TO SUBMIT THIS AGREEMENT TO ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER AND THE PARTIES TO THIS AGREEMENT, SO AS TO SERVE AS CONCLUSIVE EVIDENCE OF THE PARTIES' WAIVER OF THE RIGHT TO JURY TRIAL.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Option and Asset Swap/Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

IBC:

INTERNATIONAL BROADCASTING CORP.

By: [Signature]
Name: Angel O. Roman Lopez
Title: President

SBS:

SPANISH BROADCASTING SYSTEM
HOLDING COMPANY, INC.

By: [Signature]
Name: Joseph A. Garcia
Title: SVP + Chief Financial Officer

SPANISH BROADCASTING SYSTEM OF
PUERTO RICO, INC.

By: X [Signature]
Name: Joseph A. Garcia
Title: SVP + Chief Financial Officer