

**EXECUTION COPY**

**FIRST AMENDMENT TO  
OPTION AND ASSET SWAP/PURCHASE AGREEMENT**

**THIS FIRST AMENDMENT** ("First Amendment") is dated as of August 19, 2015, by and between INTERNATIONAL BROADCASTING CORP. ("IBC") and SPANISH BROADCASTING SYSTEM HOLDING COMPANY, INC. AND SPANISH BROADCASTING SYSTEM OF PUERTO RICO, INC. (together, "SBS"). SBS and IBC will be collectively referred to as the "Parties." Capitalized terms used in this First Amendment and not otherwise defined shall have the meanings set forth in the Contract (as defined below).

**WHEREAS**, IBC and SBS are parties to that certain Option and Asset Swap/Purchase Agreement, dated as of September 1, 2014 (the "Contract").

**WHEREAS**, on June 19, 2015, SBS provided written notice to IBC of exercise of the Option;

**WHEREAS**, IBC alleged that SBS's purported exercise of the option did not comply with the terms of the Contract,

**WHEREAS**, on July 10, 2015, SBS filed a Complaint and an Urgent Motion for Provisional Remedies before the Court of First Instance, San Juan Superior Part, Civil No. SJ2015CV00190 (the "Civil Action").

**WHEREAS**, IBC and SBS have reached agreement with respect to settlement of any and all claims and disputes pending in the Civil Action (the "Settlement Agreement"). The Settlement Agreement provides, in part, that the parties shall enter into this First Amendment to modify certain terms and conditions of the Contract.

**NOW, THEREFORE**, in consideration of the foregoing premises and the covenants and agreements set forth herein, the parties hereby agree as follows:

**AGREEMENT**

IBC and SBS agree to the following:


1. Article 1 (Definitions) is amended to add the following definition:

"BTIA" shall mean the reverse auction contemplated as part of the broadcast television incentive auction to be conducted by the FCC under Section 6403 of the Middle Class Tax Relief and Job Creation Act of 2012.

2. Section 5.2 (Prohibited Actions), Subsection (e) shall be deleted in its entirety and replaced with the following provision:

(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, except changes in the Authorizations for the TV Stations resulting from participation in the BTIA.

3. Section 5.7 (Applications for FCC Consents) shall be deleted in its entirety and replaced with the following provision:



"As promptly as practicable after July 15, 2015 and in no event later than August 14, 2015, SBS and IBC shall jointly file applications requesting the FCC's written consent to the assignment of the Radio Authorizations to IBC and the TV Authorizations to SBS. SBS and IBC shall use their commercially reasonable efforts to prosecute the applications to a favorable conclusion, irrespective of whether the conclusion ultimately occurs within the Option Term. 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 such consents and extensions (or any legal challenges thereto) become Final. For avoidance of doubt, if the FCC Order consenting to assignment of the TV Authorizations to SBS is not granted due to relinquishment of the TV Authorizations in the BTIA, the parties agree to continue to prosecute the applications for consent to assignment of the Radio Authorizations to IBC and to consummate the sale of the Radio Assets to IBC. Participation in the BTIA and the proceeds thereof will be handled in accordance with Article 13 of this Agreement.




4. Section 5.9 (Exclusivity) shall be amended to add the following sentence at the end of the Section:

Participation by IBC or SBS, as the case may be, in the BTIA with respect to the TV Authorizations shall not be deemed a violation of this covenant.

5. A new Article 13 entitled "PARTICIPATION IN BTIA" shall be added after Article 12, as follows:

### ARTICLE 13 PARTICIPATION IN THE BTIA

13.1 Agreement to Participate in the BTIA. The parties have determined that the spectrum usage rights associated with the TV Authorizations will be made available for relinquishment in the BTIA. The parties are each committed to working cooperatively to maximize the proceeds received in the BTIA in exchange for full or partial relinquishment of the spectrum usage rights associated with the TV Authorizations.



13.2 Preparation for Participation in the BTIA. The parties agree that the FCC licensee of the TV Stations at the time an action is required by the FCC shall (i) timely prepare for review and submit all such filings and applications as may be required by the FCC's Rules for full participation in the BTIA; (ii) pay any filing fees, deposits or other payment obligations that the FCC's Rules may require for participation in the BTIA, provided that SBS will prepay all reasonable fees, costs and expenses incurred by IBC in connection with participation in the BTIA; (iii) appoint qualified personnel to act as the licensee's authorized bidders in the BTIA (in accordance with the Settlement Agreement) and train and supervise such personnel to assure their satisfactory performance of the duties associated with authorized bidders in the BTIA, at the sole cost and expense of SBS; and (iv) timely submit all bids in the BTIA as may be required for continued participation until successful relinquishment of the spectrum usage rights associated with the TV Authorizations, as determined in SBS's sole discretion; (v) comply with all regulatory requirements imposed on participants in the BTIA, including, but not limited to, the "anti-collusion rules" applicable to the BTIA.


13.3 Division of Proceeds Derived from BTIA. The parties agree that the proceeds, net of reasonable fees, costs and expenses (excluding attorneys fees) and taxes, if any, derived from the relinquishment of spectrum usage rights for the TV Authorizations shall be divided between SBS and IBC in accordance with the ratio set forth below, regardless of which party is the licensee of the TV Authorizations at the time of license relinquishment or modification:

IBC = Fifteen Percent (15%)  
SBS = Eighty-Five Percent (85%)

Upon receipt, the proceeds from the BTIA, if any, will be immediately placed in an escrow account with a mutually agreed upon escrow agent. The proceeds will be distributed to IBC and SBS in accordance with the percentage allocation listed above as soon as possible following determination and payment of reasonable fees, costs and expenses (excluding attorneys' fees) and taxes.

13.4 Control of Stations. Notwithstanding anything contained in this Agreement that may provide for, or be construed to provide for, the contrary, the then-current licensee of the TV Authorizations will at all times maintain de jure and de facto control over the TV Authorizations, including control over programming, personnel, finances and other operations.

13.5 Obligation to Continue to Prosecute Radio Authorizations Assignment Application. In accordance with Section 5.7 hereof, (i) the parties shall be obligated to continue to prosecute the application for assignment of the Radio Authorizations to IBC in accordance with Section 5.7 hereof regardless of the disposition of the TV Authorizations in the BTIA; and (ii) if the TV Authorizations are not relinquished in the BTIA, the parties shall be obligated to continue to prosecute the application for assignment of the TV Authorizations to SBS in accordance with Section 5.7 hereof.



13.6 If the Closing does not occur prior to the FCC-designated deadline to submit applications to participate in the BTIA, IBC will submit applications to participate in the BTIA with respect to all three TV Authorizations. In such event, IBC will immediately appoint Mr. Raúl Alarcón as an Officer of IBC. Mr. Alarcón will have the exclusive and unfettered authority to decide the extent, form, nature, and manner in which IBC participates in the BTIA, including but not limited to the spectrum bid option that IBC selects from those made available by the FCC. Irrespective of the course of action that Mr. Alarcón decides for IBC in the BTIA, the Parties agree that the Closing will be completed for all the TV Authorizations, including their respective spectrum usage rights, that are not sold in the BTIA, or that are subject to change under the different bid options available in the BTIA.

8. Counterparts. This First Amendment may be executed in counterparts, each of which, when so executed and delivered, shall be an original, and both of which counterparts together shall constitute one and the same fully executed instrument.

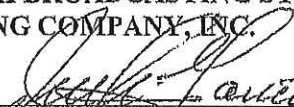
9. Ratification. Except as expressly amended hereto, the Contract remains unchanged and in full force and effect and is hereby ratified and confirmed in all respects.

10. Binding Effect. This First Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

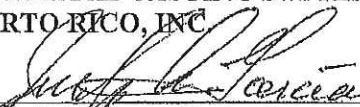
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound,  
have executed this First Amendment as of the date written above.

**SPANISH BROADCASTING SYSTEM  
HOLDING COMPANY, INC.**

By:   
Joseph A. Garcia, Senior Executive  
Vice President

**SPANISH BROADCASTING SYSTEM  
OF PUERTO RICO, INC.**

By:   
Joseph A. Garcia, Senior Executive  
Vice President

**INTERNATIONAL BROADCASTING  
CORP.**

By:   
Angel O. Roman, President