

EXECUTION COPY

RADIO PROGRAMMING AGREEMENT

Dated as of September 1, 2014

By and among

INTERNATIONAL BROADCASTING CORP.

("IBC")

- and -

SPANISH BROADCASTING SYSTEM
HOLDING COMPANY, INC.

SPANISH BROADCASTING SYSTEM OF PUERTO RICO, INC.


IBC


* SBS

RADIO PROGRAMMING AGREEMENT

This Radio Programming Agreement (this "Agreement"), dated as of September 1, 2014, sets forth the agreement among Spanish Broadcasting System Holding Company, Inc. ("SBSHC"), Spanish Broadcasting System of Puerto Rico, Inc. (together with SBSHC, "SBS"), and International Broadcasting Corp. ("IBC").

PREAMBLES

A. SBS desires to enter into this Agreement, for among other reasons, to secure a source of diverse Spanish-language programming for the Stations (as defined below) on terms and conditions that conform to policies of the SBS and IBC, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies (collectively, the "FCC's Rules") of the Federal Communication Commission (the "FCC").

B. IBC desires to have radio programming broadcast by SBS.

C. SBS is the licensee of Radio Broadcast Stations WIOA(FM), San Juan, PR (FCC Facility ID No. 8151), WIOA-FM1, Ceiba, PR (FCC Facility ID No. 171638), WIOC(FM), Ponce, PR (FCC Facility ID No. 8152), and WZET(FM), Hormigueros, PR (FCC Facility ID No. 61579) (collectively, the "Stations"). SBS operates the Stations pursuant to certain licenses, franchises, authorizations and approvals (including associated broadcast auxiliary authorizations) issued by the FCC to serve areas of the Puerto Rico radio metro as defined by Neilsen (collectively, the "Territory").

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, promises and agreements hereinafter set forth, the mutual benefits to be gained by the performance of such covenants, promises and agreements, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereto agree as follows:

ARTICLE I

BROADCAST OF PROGRAMMING

1.1 Broadcast of Programming. Effective as of 12:01 a.m. (Puerto Rico Time) on such date as the parties shall agree but no later than September 15, 2014 (the "Commencement Date"), SBS shall broadcast on the Stations, or cause to be broadcast on the Stations, the programming that is provided to it by IBC, or by third parties authorized by IBC to present such programs to SBS ("Authorized Third Parties"), as described in greater detail in Exhibit A (the "Programming") incorporated by reference. The Programming is subject to change from time to time on notice from IBC to SBS. During the Term, IBC shall have full authority to sell for its own account all commercial time in the Programming and shall retain all advertising and other revenues relating to the Programming. IBC may sell advertising during the Programming in

combination with the sale of advertising on other radio or television stations of IBC's choosing, subject to compliance with law.

1.2 **Payment.** In exchange for providing the transmission of the Programming on the Stations, IBC agrees to pay SBS the amounts specified in Exhibit B and incorporated by reference.

1.3 **Delivery of Programming.** IBC shall make the Programming available to SBS in such sequence as SBS shall determine from time to time via satellite or other method to SBS. The choice of delivery method to be used to transmit the Programming shall be solely within the discretion of IBC, and IBC may, from time to time, at its sole discretion, change the delivery method being used for such transmissions, in which case IBC shall, to the extent feasible, give not less than thirty (30) days' prior written notice to SBS. IBC shall be responsible for all costs to SBS arising from any changes in signal delivery methods. All costs and expenses of transmitting the Programming by satellite (or any other means) shall be borne by and shall be the sole responsibility of IBC. If SBS cannot receive any distribution via satellite of the Programming, then IBC, at its sole expense, shall provide the Programming using an alternative delivery method.

1.4 **Term.** This Agreement shall commence on the Commencement Date and end at 11:59 p.m. (Puerto Rico Time) five (5) years after the Commencement Date (the "**Term**") unless terminated by IBC or SBS pursuant to the consummation of the sale of the Stations to IBC pursuant to the Option and Asset Swap/Purchase Agreement by and between IBC and SBS ("**Option and Asset Swap/Purchase Agreement**"). The Term shall be extended for up to twelve (12) months to coincide with the Final Closing Date (as defined in the Option and Asset Swap/Purchase Agreement).

1.5 **Terms and Conditions Regarding Use of the Programming.** SBS shall distribute the Programming as transmitted by IBC, in its entirety, in the order and at the time transmitted by IBC without any intentional and willful editing, delays, alterations, interruptions, deletions or additions (collectively, the "**Alterations**"), excepting (i) SBS' commercial or other announcements, as permitted herein and any permitted insertions, (ii) news bulletins and other public announcements as may be required by emergencies or applicable law or (iii) as provided in Article II. SBS shall broadcast the Programming with the same audio and video quality as delivered by IBC to SBS. In no event shall SBS transmit, or authorize the transmission of, the Programming via any medium, technical platform, delivery system, distribution form or methodology now known or hereafter devised other than over the Stations and any audio streaming over the Internet. With the exception of the Emergency Alert System tests and alerts required under the FCC's rules, station identification announcements required by the FCC's rules and as provided in Article II, Licensee shall not degrade, edit, compress, speed up, squeeze down, delay, cherry-pick, delete, clip or otherwise alter the duration, length of the Programming, without the prior consent of IBC in each instance, which may be withheld in its sole discretion. Except with IBC's prior consent and except upon such terms and conditions as IBC may impose, SBS shall not authorize, cause, permit or enable anything to be done whereby a recording on tape or otherwise is made of the Programming; provided, however, that SBS may record the Programming for sales presentations to purchasers and prospective purchasers of local advertising of no more than ninety (90) seconds in length.

ARTICLE II

PROGRAMMING AND OPERATING STANDARDS AND PRACTICES

2.1 **Compliance with Standards.** All Programming delivered by IBC and any programming supplied by SBS during the Term of this Agreement shall be in accordance in all material respects with applicable statutes and the FCC's Rules. IBC shall provide SBS with the requisite documentation to make required regulatory filings in a timely manner.

2.2 **Political Broadcasts.** IBC shall timely provide and SBS shall maintain any records and information required by the FCC to be placed in and uploaded to the public inspection files of the Stations pertaining to the broadcast of political programming and advertisements or sponsored programming addressing political issues or controversial subjects of public importance, in accordance with FCC's Rules.

2.3 **Preemption.**

(a) **Generally.** SBS may preempt Programming, in accordance with the schedule as expressly enumerated in the "Local Programming" subsection of Exhibit A. With the exception of the scheduled permissible preemption periods, the broadcast of the Programming as set forth on Exhibit A is key to the material performance of this Agreement by Licensee. Beyond these material preemptions, SBS may, from time to time, preempt Programming to broadcast emergency information or programs it reasonably deems would better serve the public interest, or to replace Programming that SBS deems to be contrary to applicable law as set forth in Section 2.3(b). SBS shall use best efforts to notify IBC at least two (2) weeks in advance of any planned preemption of Programming on the Stations. SBS agrees that such non-material preemptions shall occur only to the extent that SBS deems necessary to carry out its obligations as an FCC Licensee, and expressly agrees that its right of preemption shall not be exercised in an arbitrary manner. In the event that SBS exercises non-material preemption by a measure of more than two (2) hours of Programming and announcements (other than preemptions based on a determination, in SBS' reasonable discretion, that such Programming or announcements violate the FCC's Rules) over any consecutive ten- (10-) day period at the Stations, then Licensee shall be in material default under this Agreement and IBC shall have the right to terminate this Agreement in accordance with the terms of Article VIII.

(b) **Reservation of Rights.** **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, AS LONG AS SBS REMAINS THE LICENSEE OF THE FCC LICENSES FOR THE STATIONS, SBS WILL HAVE FULL AUTHORITY, POWER AND CONTROL OVER THE OPERATION OF THE STATIONS AND OVER ALL PERSONS WORKING AT THE STATIONS DURING THE TERM.** As required by law (currently 47 C.F.R. § 73.658(e)), nothing contained herein shall prevent or hinder SBS from (i) rejecting or refusing any Programming that SBS reasonably and in good faith believes to be unsatisfactory or unsuitable or contrary to the public interest or (ii) substituting a program that, in SBS' reasonable and good faith opinion, is of greater local or national importance; provided, however, that in each such case SBS shall comply with the provisions of this Article II. SBS confirms that no Programming shall be deemed to be unsatisfactory, unsuitable or contrary to the public interest based on programming performance,

advertiser reactions or the availability of alternative programming (including sporting events, program length commercials and infomercials) that SBS believes to be more profitable. IBC reserves the right, in the case of preemptions pursuant to Section 2.3(b), to provide such alternative Programming as may be appropriate in the circumstances (which, subject only to the terms of this Article II, shall be cleared in preference to the Substitute Programming (as defined below)). Prior to a preemption of the Programming, SBS shall first make all reasonable efforts to broadcast programming that SBS deems to be of greater local or national importance in the local programming window set forth on Exhibit A, except in those circumstances requiring live coverage of fast-breaking news events. A preemption pursuant to this Section 2.3(b) shall not be counted as a preemption for purposes of the cap on preemptions under Section 2.3(a).

(c) Notification of Preemption. Without limiting any provision of this Agreement, if SBS, for any reason, makes a preemption of, or fail to broadcast, any of the Programming, then, in each such case, SBS shall (i) immediately fully disclose and provide notice to IBC of such preemption or failure to broadcast the Programming, which such notice shall include the identity and length of the programming to be substituted for the rejected or refused Programming (the "Substitute Programming") and the justification therefor and, if applicable, the reasons why the programming could not reasonably be substituted for Local Programming or carried in a Local Programming Window and (ii) pay to IBC any and all consideration received by SBS relating to their carriage of the programming in place of the Programming. All preemption notifications should be made in writing to: IBC, Attn: Angel O. Roman, or as designated in writing by IBC from time to time. If SBS fails to comply promptly with the provisions of this Section 2.3(c) solely as the result of the intentional misconduct or gross negligence of SBS, then IBC shall have the right, without limitation to any other right it may have, to immediately terminate this Agreement in its entirety without any obligation, monetary or otherwise, to SBS and/or their employees, agents or customers, or to any other person or entity. IBC further reserves the right to direct SBS to broadcast any preempted Programming (other than Programming preempted pursuant to Section 2.3(b)) in an alternate time period normally occupied by other Programming.

2.4 Rights in Programs. All rights, title and interest in and to the Programming and its content, including, but not limited to, recordings thereof, title or titles, names, trademarks, concepts, stories, plots, incidents, ideas, formulas, formats, general content and any other literary, musical, artistic, or other creative material included therein, and the right to authorize the use of the Programming, in any manner and in any media whatsoever (whether now known or hereinafter devised), shall be and remain vested at all times solely in IBC. SBS shall have no obligation to make any copyright royalty payments to IBC; provided, however, IBC reserves the right to seek copyright royalty payments for the Programming from persons other than Licensee.

2.5 **Station Identification; Promotional Materials.** During the Term, the Stations shall identify themselves as IBC chooses; provided, however that such identification may be preceded or followed by the Station's call letters, community of license and frequency or any other information or announcement as is customarily broadcast by the Stations and as required by FCC rules.

2.6 **Sponsorship Identification.** The parties will comply with the Communications Act and FCC Rules regarding "payola" and "plugola," as well as with the FCC Rules regarding sponsorship identification. Proper sponsorship identification messages (provided by client and contained within client's programming) shall be broadcast by the IBC in accordance with Section 73.1212 of the FCC's Rules. Appropriate sponsorship identification consisting of the following, or similar language, shall be broadcast each hour, during the respective client's time:

"The preceding/following program is/was sponsored by/or paid for by [client's name]."

2.7 **Compliance with Laws.** At all times during the Term of this Agreement, the parties shall comply in all material respects with all applicable federal, state and local laws, rules and regulations. Without limiting the foregoing, SBS shall be responsible for broadcasting programming that complies with and satisfies the requirements of the FCC's Rules regarding programming addressing community issues. Notwithstanding the foregoing, the License Entities shall maintain all necessary FCC licenses in good standing from the date hereof and throughout the Term.

ARTICLE III

RESPONSIBILITY FOR EXPENSES

3.1 **IBC's Expenses.** IBC shall be responsible for the costs associated with the production, development, promotion and delivery of the Programming, and the parties hereto specifically agree that IBC shall be responsible for: (i) any amounts due ASCAP, BMI, SESAC and other copyright fees on or with respect to the Programming, and (ii) any costs or fees related to the costs of licensing rights, if any, in the Territory. IBC and SBS shall cooperate with each other to inform the music licensors that IBC will assume the payment and reporting obligations under the applicable licenses. IBC shall not propose or impose upon SBS, nor shall SBS be obligated to pay, any costs or fees related to SBS inserting its commercial announcements, any surcharge or other cost for receipt and distribution of the Programming that is associated with a programming change.

3.2 **SBS' Expenses.** Subject to Exhibit B, SBS shall be exclusively responsible for all fees and expenses necessary for the operation of the Stations and to fulfill its FCC licensing requirements (including but not limited to FCC annual regulatory fees); SBS will also be responsible for any amounts due ASCAP, BMI or SESAC and any other copyright or performance licensing fees associated with the costs of any programming other than the Programming. SBS shall not propose or impose upon IBC, nor shall IBC be obligated to pay, any surcharge or other cost for receipt and distribution of the Programming that is associated with a programming change.

ARTICLE IV

OPERATION OF STATIONS

Notwithstanding any provision of this Agreement to the contrary, SBS shall retain full authority and power with respect to the operation of the Stations during the Term of this Agreement (other than SBS' rights to Assignment as stated in Section 9.7 of this Agreement) and will take any and all steps necessary to faithfully and continuously do so throughout the Term of this Agreement. SBS certifies that SBS maintains ultimate control over the Stations' facilities, including, specifically, control over the Stations' programming, finances and personnel.

ARTICLE V

INDEMNIFICATION, REPRESENTATIONS, WARRANTIES & COVENANTS

5.1 **Indemnification Rights.** Each party (the "Indemnitor") will indemnify and hold harmless the other party, and the officers, directors, shareholders, employees, agents and affiliates of such other party (collectively "Indemnitees"), from and against any and all liability, including, without limitation, reasonable attorneys' fees arising out of or incident to (i) any material breach by Indemnitor of a representation, warranty or covenant made or agreed to by the Indemnitor herein; (ii) the programming produced or furnished by the Indemnitor; (iii) any litigation of an Indemnitor, including, without limitation, any litigation listed on any Schedule to this Agreement or the Option and Asset Purchase Agreement or (iv) the conduct of such party, its employees, contractors or agents (including negligence) in performing its or their obligations hereunder. All claims for indemnification under this Agreement must be brought within twenty-four months after the date such claim arises. In addition, IBC will indemnify SBS for any damage caused by IBC to the assets of the Station.

5.2 **Indemnification Procedures.** A notice with respect to any claim for indemnification shall be given by the Indemnitee to the Indemnitor within thirty (30) days after the discovery by the Indemnitee of such claim, which notice shall set forth the facts relating to such claim then known to the Indemnitee; provided that failure to give such notice as aforesaid shall not release the Indemnitor from its indemnification obligations hereunder except to the extent the Indemnitor has been prejudiced thereby. The Indemnitor shall send a written response to the Indemnitee stating whether it agrees with or rejects such claim in whole or in part. Failure to give such response within thirty (30) days after receipt of the notice shall be conclusively deemed to constitute acknowledgement of the validity of such claim. The Indemnitor shall have the right, upon written notice to the Indemnitee within thirty (30) days after receipt of the notice, to assume the defense of the matter giving rise to the claim for indemnification through counsel of its selection reasonably acceptable to the Indemnitee, at the Indemnitor's expense, and the Indemnitee shall have the right, at its own expense, to employ counsel to represent it; provided that if any action shall include both IBC and SBS, and there shall be a conflict of interest resulting from the availability of different or additional defenses to either of them, the Indemnitee shall have the right to select separate counsel to participate in the defense of such action on its behalf, at the Indemnitor's expense. The Indemnitee shall cooperate fully to make available to the Indemnitor all pertinent information under the Indemnitee's control as to the claim and shall make appropriate personnel available for any discovery, trial or appeal. If the

Indemnitor does not elect to undertake the defense as set forth above, the Indemnatee shall have the right to assume the defense of such matter on behalf of and for the account of the Indemnitor, at the Indemnitor's expense; provided that the Indemnatee shall not settle or compromise any claim without the consent of the Indemnitor, which consent shall not be unreasonably withheld. The Indemnitor may settle any claim at any time at its expense, so long as such settlement includes, as an unconditional term thereof, the giving by the claimant of a release of the Indemnatee and its affiliates from all liability with respect to each such claim.

5.3 **Representations and Warranties.**

that: (a) **SBS Representations and Warranties.** SBS represents and warrants to IBC

- (1) it has the authority and power to enter into this Agreement and to perform its obligations hereunder; the execution, delivery and performance of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized and this Agreement is a legally valid, binding and enforceable obligation of such party; and the execution of this Agreement by it and performance by it of its obligations hereunder will not violate or result in a default under any material agreement or instrument to which it is a party, which violation or default would materially interfere with the performance by it of its obligations hereunder;
- (2) it is in compliance with and will comply with all material Laws (as defined below) with respect to its rights and obligations under this Agreement. As used herein, "Law" shall mean any FCC and any other governmental (whether international, federal, state, municipal or otherwise) statute, law, rule, regulation, ordinance, code, directive and order, including without limitation, any court order;
- (3) as of the Commencement Date and throughout the Term, all licenses granted to SBS by the FCC (the "Stations' Licenses") necessary to operate the Stations will be in full force and effect unimpaired in any material respect by any acts or omissions of the Licensee, valid for the balance of the current license term generally applicable to television stations licensed to communities in respective Territory, and subject to no restrictions or conditions outside of the ordinary course of SBS' business. (A) all FCC regulatory fees for the Stations have been timely and fully paid, and all towers from which the Stations operate have been duly registered with the FCC, (B) there is no action pending, or to Licensee's knowledge threatened, before the FCC or other governmental authority to revoke, refuse to renew, suspend or adversely modify the Stations' Licenses, and to SBS' knowledge there is and has been no proceeding that has resulted, or would

reasonably be expected to result, in the issuance of any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture by or before the FCC with respect to the Stations, (C) the Stations are operating in compliance in all material respects with all Laws, including without limitation, the Communications Act and (D) SBS has timely made all material filings required by the Communications Act with respect to the Stations;

- (4) except as set forth on Schedule 5.3(a), there are no pending or, to the knowledge of SBS, threatened actions by any person or governmental authority against or relating to SBS or the Stations, that may adversely affect Licensee's ability to perform in accordance with the terms of this Agreement, and SBS is unaware of any facts that could reasonably be expected to result in any such proceeding;
 - (5) to the extent commercially available, SBS shall maintain adequate insurance on the Stations' assets in amounts and types customary in the broadcast industry, and will promptly replace or repair any lost or damaged assets of the Stations;
 - (6) all leases for the Stations' towers and transmission facilities are in full force and effect; and
 - (7) it has no agreement, contract, commitment or understanding to broadcast any programming (including paid programming) on the Stations that would be in effect after the Commencement Date.
- (b) IBC Representations and Warranties. IBC represents and warrants that:
- (1) it has the authority and power to enter into this Agreement and to perform its obligations hereunder; the execution, delivery and performance of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized and this Agreement is a legally valid, binding and enforceable obligation of such party; and execution of this Agreement by it and performance by it of its obligations hereunder will not violate or result in a default under any material agreement or instrument to which it is a party, which violation or default would materially interfere with the performance by it of its obligations hereunder;
 - (2) it is in compliance with and will comply with all material Laws with respect to its rights and obligations under this Agreement, including without limitation, the FCC's multiple ownership rule (47 C.F.R. §73.3555) and attribution rules; and

- (3) there are no pending or, to the knowledge of IBC, threatened actions by any person or governmental authority against or relating to IBC or the Programming, that may adversely affect IBC's ability to perform in accordance with the terms of this Agreement, and IBC is unaware of any facts that could reasonably be expected to result in any such proceeding.

5.4 **Covenants.**

- (a) **SBS' Covenants.** SBS covenants and agrees that:

- (1) subject to the terms of Article II and any failure caused by a Force Majeure Event (as defined in Section 9.8), they shall carry, air and otherwise distribute the Programming in the Territory in accordance with and subject to the terms and conditions set forth in this Agreement and shall maintain the Stations' Licenses in full force and effect to permit the broadcast of the Programming on the Stations;
- (2) subject to outage caused by a Force Majeure Event, SBS shall cooperate fully with respect to the operation and maintenance of the Stations at a power sufficient so as to prevent the Stations from having power outages or off the air; it shall cooperate fully with respect to the operation and maintenance of the Stations' transmission equipment and facilities, including the antennas, transmitters and transmission lines, and shall continue its accounts for the delivery of electrical power to the Stations' transmitting facilities. In consultation with IBC, SBS shall undertake such repairs as are commercially necessary to maintain full-time operation of the Stations with their maximum authorized facilities as expeditiously as reasonably possible following the occurrence of any loss or damage preventing such operation. If IBC needs to obtain use of a studio transmitter link or similar FCC authorization to facilitate IBC's delivery of the Programming to the Stations' transmitter sites, SBS will cooperate reasonably with IBC to file any required applications for such authority.
- (3) it shall not, without IBC's consent, knowingly authorize or cause or knowingly permit any portion of the Programming to be recorded, duplicated, rebroadcast or otherwise used for any purpose other than for distribution by SBS at the time the same is made available; and
- (4) it shall not, without IBC's prior written approval, use the names, titles or logos of any of IBC's programs, or the names, voices, photographs, likenesses or biographies of any individual participant or performer in, or contributor to, any program or any

variations thereof, except if such use is for or in connection with the promotion of the Stations.

(b) IBC Covenants: IBC covenants and agrees that:

- (1) subject to applicable FCC rules, regulations and policies and the approval, oversight, review, supervision and ultimate control of SBS, IBC shall perform or cause to be performed all tasks necessary or appropriate in connection with the ongoing operation and management, promotion and maintenance of the Stations. In performing such duties, IBC may, among other things, do the following:
 - (i) manage all advertising, promotion and publicity relating to the Programming;
 - (iii) subject to the provisions of this Agreement, provide the Programming for the Stations in accordance with Article I and Exhibit A; and
 - (iv) to the extent commercially available, IBC shall maintain adequate broadcaster's liability insurance with respect to the Programming in amounts and types customary in the broadcast industry.

ARTICLE VI

EQUIPMENT AND SPACE

6.1 Access and Equipment. Commencing as of the date hereof and continuing until the expiration of the Term, unless earlier terminated in accordance with the terms of this Agreement, SBS, shall provide the access and/or equipment specified in Exhibit C upon the terms set forth therein.

6.2 Studio Space and Use of Facilities. Subject to the terms and conditions set forth in this Agreement, throughout the Term, SBS shall maintain a broadcast studio in accordance with FCC Rules at its current location.

ARTICLE VII

DEFAULT

7.1 Events of Default. The following, after the expiration of the applicable cure periods specified below, if applicable, shall constitute Events of Default under this Agreement:

(a) Default in Covenants. IBC's or SBS' material default in the observance or performance of any covenant, condition or agreement contained herein; or

(b) Breach of Representation or Warranty. IBC's or SBS' material breach of any representation or warranty made by it herein, or in any certificate or document furnished pursuant to the provisions hereof, which shall prove to have been false or misleading in any material respect as of the time made or furnished.

7.2 Cure Periods. Unless provided otherwise in this Agreement, an Event of Default shall not be deemed to have occurred until thirty (30) days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default, and such event has not been cured within such time period.

ARTICLE VIII

TERMINATION

8.1 Termination by Either Party. Without limiting any other rights or remedies available to the applicable party under this Agreement, this Agreement may be terminated by either party (the "Affected Party"), in its discretion, at any time after any of the following occurrences, except as provided in this Agreement, with respect to the other party (the "Other Party"):

(a) any uncured Event of Default (as defined in Article VII) by the Other Party, its successors or assigns;

(b) a change in the FCC's Rules that would cause this Agreement to be in violation thereof, and such change is final, in effect and has not been stayed, and the parties are unable, after negotiating in good faith for at least thirty (30) days, to modify this Agreement to comply with the change in the FCC's Rules.

(c) in the event that the Stations' transmitter locations, power, height of antenna, Territory, frequency, or hours of operation are materially reduced or changed at any time so that the Stations' value to IBC is materially less than as of the date of this Agreement and such change has not been cured within one hundred twenty (120) days after such occurrence, then after the end of such one hundred twenty- (120-) day period, IBC shall have the right to terminate this Agreement upon thirty (30) days' prior written notice to SBS;

(d) pursuant to the provisions of Section 2.3 (Preemption);

(e) Licensee does not launch the Programming on the Stations when provided by Programmer pursuant to Section 1.3;

(f) if, solely as a result of the intentional actions or negligence of SBS, the Stations become substantially less valuable to IBC than they are at the time of execution of this Agreement and such actions have not been cured within forty-five (45) days after such occurrence, then after the end of such forty-five- (45-) day period, IBC shall have the right to terminate this Agreement upon thirty (30) days' prior written notice to SBS;

(g) except as caused by a Force Majeure Event, in the event (i) a Station is off the air for reasons related to the transmission facilities or tower for any continuous one hundred twenty- (120-) hour period during the Term; or (ii) if a Station is off the air for reasons related to the transmission facilities or tower on five (5) separate occasions for at least twenty-four hours each in a two- (2-) week period;

(h) SBS may terminate this Agreement if SBS has rightfully terminated the Option and Asset Swap/Purchase Agreement or the Television Programming Agreement of even date herewith by and between SBSHC and IBC; and

(i) IBC may terminate this Agreement if IBC has rightfully terminated the Option and Asset Swap/Purchase Agreement or the Television Programming Agreement of even date herewith by and between SBSHC and IBC.

8.2 **Effect of Termination.** Upon termination of this Agreement pursuant to this Article VIII, all of Licensee's and the Stations' rights to broadcast or otherwise use any IBC Programming or any trademark, logo or other material or item hereunder shall immediately cease and neither SBS nor the Stations shall have any further rights whatsoever with respect to any such program, material or item.

ARTICLE IX

MISCELLANEOUS

9.1 **Limitation of Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT:

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, WHETHER FORESEEABLE OR NOT, OCCASIONED BY ANY FAILURE TO PERFORM OR THE BREACH OF ANY OBLIGATION UNDER THIS AGREEMENT FOR ANY CAUSE WHATSOEVER, WHETHER BASED ON NEGLIGENCE OR OTHERWISE.

IN NO EVENT SHALL ANY PROJECTIONS, FORECASTS, ESTIMATIONS OF SALES AND/OR MARKET SHARE OR EXPECTED PROFITS, OR OTHER ESTIMATIONS OR PROJECTIONS BY LICENSEE OR SBS OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR AFFILIATES, REGARDING OR RELATED TO SBS' AND/OR LICENSEE'S BUSINESS BE BINDING AS COMMITMENTS OR, IN ANY WAY, PROMISES BY IBC AND/OR SBS.

9.2 **Modification and Waiver.** No modification or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing signed by the party against whom the waiver is sought to be enforced, and then such waiver and consent shall be effective only in the specific instance and solely for the purpose for which it is given. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by the other of any provision of this Agreement shall not affect the

party's right thereafter to enforce the same; (ii) no waiver by any party of any default by the other shall be valid unless in writing and acknowledged by an authorized representative of the non-defaulting party, and no such waiver shall be taken or held to be a waiver by the party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

9.3 **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of Puerto Rico applicable to contracts made and to be fully performed therein, without giving effect to the principles of conflicts of law, except to the extent that the parties' respective rights and obligations are subject to mandatory local, State and Federal laws or regulations. The parties hereby agree that the jurisdiction of, or the venue of, any action brought by either party shall be in a state or federal district court sitting in Puerto Rico and both parties hereby agree to waive any right to contest such jurisdiction and venue.

9.4 **Construction.** The Section headings of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement. As used herein, the neuter gender shall also denote the masculine and feminine, and the masculine gender shall also denote the neuter and feminine, where the context so permits.

9.5 **Assignment.** No assignment, sale, transfer or delegation by either party of either this Agreement or any of the rights, interests or obligations hereunder shall be effective without the prior written consent of the other party, which shall not be unreasonably withheld. Notwithstanding the foregoing, and for the avoidance of doubt, in the event of an assignment, sale, transfer or delegation by either party, the other party shall have the option to require that this Agreement, and all of the rights, interests and obligations hereunder be assumed by the assignee.

9.6 **Force Majeure.** Notwithstanding any other provision in this Agreement, neither IBC nor SBS shall have any liability to the other or any other person or entity with respect to any failure of IBC or SBS, as the case may be, to transmit or distribute the Programming or perform its obligations hereunder if such failure is due to any failure or degradation in performance of the delivery source, or satellite(s) or transponders on such satellites (as applicable), or of any scrambling/descrambling equipment or any other equipment owned or maintained by others, any failure at the origination and up-linking center used by IBC or SBS, any labor dispute, fire, flood, hurricane, earthquake, tornado, riot, legal enactment, government regulation, judicial or quasi-judicial action, Act of God, act of terrorism or any cause beyond the reasonable control of IBC or SBS, as the case may be (a "**Force Majeure Event**"), and such non-performance shall be excused for the period of time such failure(s) causes such non-performance.

9.7 **Counterparts.** This Agreement may be executed by facsimile or scanned e-mail signature and signed in any number of counterparts with the same effect as if the signatures on each such counterpart were on the same instrument.

9.8 **Notices.** All notices hereunder shall be in writing and delivered by hand or sent by certified mail, postage prepaid and return receipt requested, or by an overnight delivery service to the receiving party at its address set forth above or as otherwise designated by written notice. Notice shall be provided as follows:

if to SBS, to:

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

with a copy to:

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

if to the IBC, to:

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

with a copy to:

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

Notice given by hand shall be considered to have been given on the date delivered or, if delivery is refused, as of the date presented. Notice given by mail shall be considered to have been given five (5) days after the date of mailing, postage prepaid certified mail (return receipt requested). Notice given by electronic mail or facsimile machine shall be considered to have been given on the date receipt thereof is electronically acknowledged. Notice given by an overnight delivery service shall be considered to have been given on the next business day.

Any party may change its address for notices by notice to the others given pursuant to this Section.

9.9 **Survival of Representations and Warranties.** All representations and warranties contained herein or made by the parties shall be deemed to be material and to have been relied upon by the parties notwithstanding any investigation made by such party and shall remain operative and in full force and effect as specified in Section 5.1.

9.10 **Severability.** If any one or more of the provisions contained in this Agreement should be found invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

9.11 **No Joint Venture; Separate Entities.** The parties agree that nothing herein shall constitute a partnership or joint venture between them. The parties acknowledge that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties and that neither party shall obtain any ownership interest in the other party's intellectual property by virtue of this Agreement. No officer, employee, agent, servant or independent contractor of either party hereto or their respective subsidiaries or affiliates shall at any time be deemed to be an employee, servant or agent of the other party for any purpose whatsoever, and the parties shall use commercially reasonable efforts to prevent any such misrepresentation.

9.12 **Damage to Stations.** In the event of damage or destruction to the Stations, SBS shall proceed to repair, replace or restore the Stations to their former condition as promptly as is commercially reasonable.

9.13 **Non-Interference.** During the Term of this Agreement, neither SBS nor any of its employees shall take any actions that might impair the operations of IBC conducted hereunder, except to the extent expressly contemplated by this Agreement or as otherwise required by law.

9.14 **Regulatory Changes.** In the event of any order or decree of an administrative agency or court of competent jurisdiction, including without limitation any material change or clarification in the FCC's Rules that would cause this Agreement to be invalid or violate any applicable law, and such order or decree has become effective and has not been stayed, the parties will use their respective commercially reasonable efforts and negotiate in good faith to modify this Agreement to the minimum extent necessary to comply with such order or decree without material economic detriment to either party, and this Agreement, as so modified, shall then continue in full force and effect. In the event that the parties are unable to agree upon a modification of this Agreement so as to cause it to comply with such order or decree without material economic detriment to either party, then this Agreement shall be terminated pursuant to Section 7 of this Agreement.

9.15 **Confidentiality.** Other than as may be required by any applicable law, government order or regulation or by order or decree of any court of competent jurisdiction, neither SBS nor IBC shall publicly divulge or announce or in any manner disclose to any third party, this Agreement and/or any of the specific terms and conditions set forth herein, and/or any of IBC's plans.

9.16 **Entire Agreement.** This Agreement, the Option and Asset Swap/Purchase Agreement and the TV Programming Agreement and the Exhibits and Schedules to this Agreement (which are incorporated by reference herein) and the Schedules to the Option and Asset Swap/Purchase Agreement and the TV Programming Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties, whether written or oral, except those included in the attached term sheet. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

9.17 **Further Assurances.** From time to time before, on and after the Commencement 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 consideration in addition to what is provided in this Agreement and the Exhibits and Schedules to this Agreement, 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 Commencement 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.

9.18 **Employees.** Each party agrees that it will not hire, for a period of twelve (12) months after the date hereof, any employee and/or talent of the other 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 the employee for reasons not related to the other party's hiring such employee;
- (c) If the employee resigned due to having attained retirement age;
- (d) If the employee resigned and more than six months had passed from the date of 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 party in writing with a minimum of ten labor days advance notice of its intention to hire, so that the other party will either agree or not agree to the hiring. If the parties do not come to a mutual agreement on the 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.

9.19 **Equipment.** The parties agree that it may be necessary to improve the equipment in order to transmit a better signal. In such case, after consultation with IBC, SBS will be responsible to install the equipment at its own cost, subject at all times to SBS' prior approval and consent. With respect to the existing equipment, SBS will be responsible to service, maintain, repair and keep in good operating conditions any and all of the transmitting equipment located and owned by SBS at the sites described in Exhibit C. If the need arises to replace any transmitting equipment, SBS will replace such equipment with equipment of the same or better quality, with the same specifications, as the equipment replaced. Any equipment replaced to comply with this paragraph will become the property of SBS. Other equipment, such as air conditioning equipment, emergency electric generators, the physical building structure, the electrical system, the surrounding areas, the towers, etc. will be serviced, maintained and repaired by SBS in a timely manner. If SBS fails to maintain, repair or replace any equipment in a timely manner after consultation with SBS, IBC may perform such maintenance, repairs or replacement but SBS shall be responsible for the reasonable costs of such maintenance, repair or replacement. In no event shall SBS be required to improve or upgrade its signal.

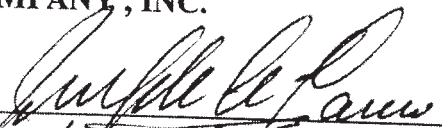
9.20 **Relocation.** The parties agree that in case that the main studio of the Stations included in this Agreement need to be relocated, such relocation will be done according to and in compliance with the FCC's Rules. The parties will not withhold their consent to relocate the main studio(s).

9.21 **Format Restrictions.** During the Term of this Agreement, IBC will not air programming on the Stations referred to in this agreement that is similar to or directly competitive with the formats aired on SBS' other stations in Puerto Rico. Without limiting the foregoing, IBC shall not air programming similar to that aired on Station WIOA(FM), San Juan, PR (FCC Facility ID No. 8151), WIOA(FM1), Ceiba, PR (FCC Facility ID No. 171638), WIOC(FM), Ponce, PR (FCC Facility No. 8152) (Estereotempo/Spanish Adult Contemporary format) and on WZET(FM), Hormigueros, PR (FCC Facility ID No. 61579) (La Zeta/Salsa format). The parties acknowledge and agree that the foregoing format restrictions shall expire coincident with the consummation of the sale of the Stations pursuant to the Option and Asset Swap/Purchase Agreement and will be valid only during the first year of this agreement, whichever occurs first.


[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

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

By: X 
Name: Joseph A. Garcia
Title: SEVP + Chief Financial Officer

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

By: X 
Name: Joseph A. Garcia
Title: SEVP + Chief Financial Officer

INTERNATIONAL BROADCASTING CORP.

By: AO. R. S.
Name: Angel O. Roman
Title: President