

HD-2 CHANNEL SERVICE AGREEMENT

This HD-2 Channel Service Agreement (the "**Agreement**"), dated effective as of March 1, 2017 (the "**Effective Date**") by and between iHeartMedia + Entertainment, Inc., a Nevada corporation ("**IHM**"), on the one hand, and RUSA Radio, Inc., a New York corporation ("**RUSA**"), on the other hand.

RECITALS

(A) RUSA produces and/or has the right to broadcast certain Russian language programming ("**RUSA Content**").

(B) IHM owns and operates the following radio station (the "**Station**") pursuant to authorizations issued by the Federal Communications Commission (the "**FCC**"): WMIB-FM. In addition to its primary program stream, the Station broadcasts one or more secondary channels, including an HD-2 channel known as: WMIB-FM HD2 (the "**HD2 Channel**"). The parties desire to provide for RUSA to use the HD2 Channel on the terms set forth in this Agreement.

(C) IHM also owns and operates an audio content delivery service currently known as "iHeartRadio", which includes websites, widgets, Internet domains, audio and video content, and applications—operated on first party or third party platforms—owned, operated, published or distributed by IHM (collectively, the "**IHR Service**").

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. **Term.** Subject to Section 2 below, the term of this Agreement shall be three (3) years commencing as of the Effective Date; provided that IHM shall have the right to terminate this Agreement early on either anniversary of the Effective Date by providing RUSA with not less than forty-five (45) days' prior written notice thereof.

2. **HD2 Channel.**

2.1. **Broadcast.** During the Term, RUSA shall provide RUSA Content for the HD2 Channel and IHM shall use commercially reasonable efforts to make the HD2 Channel available to RUSA for RUSA Content during all times that IHM broadcasts its HD1 signal. Subject to Section 2.3 hereof, the HD2 Channel's signal shall be broadcast at a rate of 32 Kbps.

2.2. **Advertising.** With respect to audio advertising within the audio broadcasts in the HD2 Channel (the "**Broadcast Advertising**"), RUSA is entitled to sell all Broadcast Advertising and collect any and all revenue related to Broadcast Advertising, or appoint others to do so on its behalf.

2.3. **Facilities.** RUSA shall deliver RUSA Content to the Station's transmission facilities in a manner compatible with the Station's facilities as and where they exist from time to time and meeting the technical standards of the Station as in effect from time to time. This Agreement does not limit IHM's right to modify its facilities and broadcast operations from time to time. The HD2 Channel shall be deemed modified by any applicable changes to the Station's facilities or broadcast operations. The Station, including the HD2 Channel, may operate at reduced power or be off the air due to maintenance, casualty, modifications or other reasons. Neither any such event, nor any event or condition outside IHM's control that affects the HD2 Channel shall constitute a failure by IHM to perform under this Agreement. Notwithstanding anything herein to the contrary and subject to Section 10 hereof, IHM shall maintain the HD2 Channel's facilities in good operating condition, and shall use commercially reasonable efforts to restore normal operations as promptly as practicable in the event of any reduced power operation or service disruption. Except as set forth in this Agreement, RUSA shall not at any time retransmit RUSA Content on any other radio transmitter within IHM's Miami market, including, but not limited to, a translator within such market.

2.4. **Control.** Notwithstanding anything herein to the contrary, at all times IHM shall have control over the Station.

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Nothing set forth herein limits IHM's right to refuse to broadcast any RUSA Content that violates FCC rules or policy or other applicable law or does not comply with IHM's program standards or violates third party rights. RUSA shall provide IHM with a copy of any letters of complaint it receives concerning RUSA Content for inclusion in its public inspection file. RUSA shall cooperate with IHM to ensure that EAS transmissions are properly performed in accordance with IHM's instructions.

2.5. Call Sign. Except for station identification announcements required by FCC rules and media buying and planning tools where use of the call sign is standard, RUSA shall not use the call letters of the Station for the HD2 Channel and shall use either the Station's frequency or RUSA's name to market, promote and otherwise conduct the business of the HD2 Channel.

3. Intentionally Omitted.

4. Exclusivity. During the Term, RUSA shall only make RUSA Content available for audio broadcast within IHM's Miami market via the HD2 Channel, and shall not make RUSA Content available through any audio content delivery service serving the Territory other than the IHR Service. However, IHM acknowledges that RUSA may make RUSA Content available for internet streaming through RUSA's website (currently located at http://www.RUSA_fm during the Term. During the Term, IHM shall not broadcast primarily Russian-language content via another of its HD-2 or HD-3 channels in IHM's Miami market. For avoidance of doubt, this exclusivity shall not apply to the IHR Service.

5. Consideration. As consideration for providing access to the HD2 Channel, RUSA shall pay IHM a monthly fee ("Fee") of \$5,000 per month. The Fee shall be paid cash-in-advance by wire transfer no later than the 15th of the preceding month, with the first payment being due upon execution of this Agreement. RUSA's payment obligations arising during the Term shall survive any expiration or termination of this Agreement and remain in full force and effect until paid in full.

6. Content.

6.1. Third Party License Fees. RUSA shall be solely responsible for paying and reporting to SoundExchange, ASCAP, BMI, SESAC and any other licensor or society required to make RUSA Content available via the HD2 Channel pursuant to this Agreement. IHM shall be responsible for obtaining and paying for any licenses required to make the IHM Content available within the HD2 Channel.

6.2. RUSA Content License. RUSA hereby grants to IHM the revocable, non-exclusive, non-transferable, non-sub-licensable, royalty-free and limited license to use, reproduce and have reproduced, publicly perform, publicly display, digitally perform, transmit, distribute, archive, publish and otherwise exploit (collectively "Use") RUSA Content solely within the HD2 Channel. IHM shall be responsible for the performance and any breach of this Agreement by its subcontractors.

6.3. Intentionally Omitted.

6.4. RUSA Content. RUSA shall ensure that RUSA Content complies with FCC rules and policies and other applicable law, complies with IHM's program standards as in effect from time to time, and does not violate third party rights. RUSA shall ensure that RUSA Content broadcast via the HD2 Channel includes proper station identification announcements in accordance with FCC rules and regulations. RUSA shall cooperate with IHM with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with other applicable FCC rules and policies.

7. Insurance. Within thirty (30) days from the Effective Date, each party shall obtain and maintain insurance as set forth in Exhibit A attached hereto. Should either party fail to secure such insurance within the aforementioned timeframe, the other party may, at its sole option, elect to immediately terminate the Agreement with no further responsibilities or liabilities to the other party.

8. RUSA's Representations, Warranties And Covenants. RUSA hereby represents and warrants the following:

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8.1. Authority. RUSA has the full power and authority to enter into and to fully perform this Agreement in accordance with its terms, and RUSA shall not take or permit any action which shall or might interfere, in any material respect, with RUSA's full performance under this Agreement or with the rights granted to IHM herein.

8.2. No Conflict. RUSA is not subject to any conflicting contractual obligations which shall or might prevent or interfere, in any material respect, with the execution and full performance of this Agreement by RUSA.

8.3. Intellectual Property. Any matter furnished and/or services rendered by RUSA hereunder (including RUSA Content) shall not infringe upon or violate any rights whatsoever, including privacy and publicity rights of any person or entity nor the trademark, tradename, copyright, or other intellectual property of any such parties and shall comply with all applicable laws, court orders, government regulations or other ruling or regulation of any government agency.

8.4. FCC Clearance. RUSA represents and warrants to IHM that RUSA is qualified under the FCC's ownership rules to enter into this Agreement and program the HD2 Channel hereunder.

9. IHM's Representation, Warranties And Covenants.

9.1. Representations. IHM hereby represents and warrants the following:

(a) Authority. IHM has the full power and authority to enter into and to fully perform this Agreement in accordance with its terms, and that IHM shall not take or permit any action which shall or might interfere, in any material respect, with IHM's full performance under this Agreement or with the rights granted to RUSA herein.

(b) No Conflict. IHM is not subject to any conflicting contractual obligations, which shall or might prevent or interfere, in any material respect, with the execution and full performance of this Agreement by IHM.

9.2. No Other Representations. Except as set forth above, IHM makes no representations or warranties as to the HD2 Channel. Without limiting the foregoing, RUSA acknowledges and agrees that the HD2 Channel is offered as-is, where-is with all faults and defects and RUSA has familiarized itself with the coverage area being offered thereby.

10. Indemnity.

10.1. RUSA Indemnity. RUSA shall defend, indemnify and hold harmless IHM and its parents, affiliates, and each of their respective members, managers, officers, directors, employees, agents, representatives, parents, subsidiaries, successors, IHMs and assigns (the "***IHM Parties***") against any and all liabilities, damages, costs, fines, penalties and expenses, including, without limitation, reasonable outside attorneys' fees and costs, in connection with any third-party claim or action arising out of, caused by, or in connection with (i) any act, omission or wrongful acts of RUSA, its employees or agents with respect to the responsibilities, obligations, services or content as provided by RUSA under this Agreement; (ii) any breach or alleged breach of any of RUSA's representations, warranties, covenants, agreements or undertakings herein; and/or (iii) RUSA's use of the HD2 Channel, including without limitation any claim of copyright infringement, libel, slander, defamation, invasion of privacy and violations of any FCC rule or policy. IHM SHALL HAVE NO LIABILITY WITH RESPECT TO THE HD2 CHANNEL, ALL OF WHICH IS EXPRESSLY WAIVED BY RUSA. In addition, RUSA shall defend, indemnify and hold harmless the IHM Parties against any and all liabilities, damages, costs, fines, penalties and expenses, including, without limitation, reasonable outside attorneys' fees and costs, in connection with any third-party claim or action alleging that RUSA Content or RUSA Marks infringe such third party's patents, copyrights, trademarks and service marks, patent, trade secrets, moral rights, and any other intellectual property or proprietary rights arising at any time under the laws of any jurisdiction (collectively, "***Intellectual Property Rights***").

10.2. IHM Indemnity. IHM shall defend, indemnify and hold harmless RUSA and its parents, affiliates, and each of their respective members, managers, officers, directors, employees, agents, representatives, parents, subsidiaries, successors, IHMs and assigns (the "***RUSA Parties***") against any and all liabilities, damages, costs, fines, penalties and expenses, including, without limitation, reasonable outside attorneys' fees and costs, in connection with any third-party claim or action arising out of, caused by, or in connection with (i) any act, omission or wrongful acts of IHM, its employees or agents with respect to the responsibilities, obligations, services or content as provided by IHM under this

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Agreement; or (ii) any breach or alleged breach of any of IHM's representations, warranties, covenants, agreements or undertakings herein.

11. Force Majeure. Notwithstanding anything herein to the contrary, any failure to comply with this Agreement due to any act of God, strikes or threats thereof, war, acts of terrorism, civil disturbance or other event outside the control of a party shall not constitute a breach of this Agreement, and neither IHM nor RUSA, as applicable, will be liable to the other party therefor; provided, however, that each party shall use commercially reasonable efforts to correct such event or condition as soon as reasonably possible.

12. Notices. All notices to be given to either party hereunder must be in writing and shall be deemed given on the date received, via personal delivery or express or certified mail with proof of mailing to the other party's respective address set forth below or to such other address as either party shall designate to the other in writing:

If to IHM: iHeartMedia + Entertainment, Inc.
7601 Riviera Blvd
Miramar, FL 33023
Attention: Region President

with a copy to: iHeartMedia + Entertainment, Inc.
200 E. Basse Rd.
San Antonio, TX 78209
Attention: Associate General Counsel - Radio
Facsimile: 210-832-3130

If to RUSA: RUSA Radio, Inc.
2699 Coney Island Ave., 3rd Floor
Brooklyn, New York 11235
Attention: Anna Pekerman

with a copy to: Malvina Lin, P.C.
1203 Avenue J, Suite 4B
Brooklyn, New York 11230

13. Termination. IHM may immediately terminate this Agreement for any breach by RUSA of Section 6. Either party shall have the right to terminate this Agreement if the other party materially breaches its obligations hereunder and does not cure such breach within ten (10) business days after receiving written notice of such breach. Any such termination may be effected upon thirty (30) days' prior written notice to the breaching party. IHM shall have the right to terminate this Agreement immediately if RUSA fails (i) to pay any part of the Fee when due, or (ii) to provide all or any part of RUSA Services, and RUSA fails to cure such payment- or service-related breach within five (5) business days after receiving written notice of such breach. Notwithstanding anything to the contrary herein, following expiration of the Initial Term, either Party may terminate this Agreement upon not less than one-hundred-eighty (180) days written notice to the other. IHM may also terminate this Agreement as set forth in Section 13.

14. Suspension; Takedown. At any time during the Term after the occurrence of a Content Issue, IHM may, in its sole discretion: remove (and, to the extent (ii) or (iii) of this Section 13 applies, will promptly remove upon written request from RUSA) RUSA Content from the HD2 Channel; and/or suspend the operation and/or exploitation of the HD2 Channel; and/or terminate this Agreement in its entirety. A "Content Issue" shall be deemed to have occurred if (i) IHM determines in good faith that any RUSA Content causes damage or otherwise interferes, in any material respect, with the proper operation of any end users personal devices, (ii) RUSA or IHM becomes aware of a valid and documented allegation, as determined in RUSA's or IHM's good faith opinion, that any RUSA Content infringes any rights of any third parties, (iii) any RUSA Content, in RUSA's or IHM's good faith opinion, violates any laws or regulations, including, without limitation those of the FCC, or (iv) any RUSA Content or channel is the subject of a public controversy which

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does or may, in IHM's good faith opinion, bring IHM into disrepute. If commercially practicable, IHM shall provide advance written notice to RUSA of any pending termination; suspension or takedown. Such notice shall describe in reasonable detail the applicable issue, violation, infringement or controversy, as applicable.

15. Intentionally Omitted.

16. Confidentiality. The parties shall use reasonable efforts to adopt policies and procedures to ensure that their discussions concerning, and the performance of their respective obligations under, this Agreement do not facilitate or result in the exchange or disclosure of, or access to, competitively sensitive information between the parties that is either not reasonably necessary in connection with the transactions and arrangements contemplated hereby or that is not permissible under applicable law. Notwithstanding the foregoing, the parties acknowledge that, as a result of this Agreement, each may gain access to the other party's non-public information of a technical, business or other nature that is reasonably understood to be proprietary or confidential because of legends or other markings or the circumstances of disclosure ("**Confidential Information**"). Confidential Information includes the terms and existence of this Agreement. Confidential Information shall not include information (a) disclosed in public materials or otherwise in the public domain through no fault of the receiving party; (b) lawfully obtained by the receiving party from a third party without any obligation of confidentiality; (c) lawfully known to the receiving party prior to disclosure by the disclosing party; or (d) independently developed by the receiving party. The parties further acknowledge each may suffer great harm if the Confidential Information is disclosed to a third party in violation of this Agreement, and, therefore, for a period of three (3) years following disclosure each party agrees to: (i) treat Confidential Information of the other party with the same degree of care as it accords to its own Confidential Information, but in no event less than a reasonable degree of care; (ii) use the Confidential Information only for the purposes of carrying out its obligations or exercising its rights under this Agreement; (iii) disclose the Confidential Information only to those of its officers, directors, employees, agents, and contractors who have a need-to-know and are under an appropriate duty of confidentiality; and (iv) take steps to prevent the accidental or otherwise unauthorized disclosure of Confidential Information; provided, however, that a party may disclose Confidential Information as may be required to be disclosed by law or court order, but only if the receiving party notifies the disclosing party of such disclosure and affords the disclosing party a reasonable opportunity to seek protective legal treatment of such Confidential Information. Subject to Section 6 of this Agreement, nothing in this Agreement shall restrict either party from competing with the other. Further, each party acknowledges that the other party may currently be developing information or may in the future develop information, may be receiving or may in the future receive information; or may be exploring or may in the future explore other opportunities, any of which may be similar or related to the other party's business or Confidential Information. Accordingly, nothing in this Agreement will be construed as a representation or agreement that either party to this Agreement will not develop or have developed for it products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in the other party's Confidential Information, provided that such party does not otherwise violate its obligations under this Agreement, including, without limitation, this Section 16, in connection with such development.

17. Press Release. IHM and RUSA agree to release a mutually agreed upon press release describing this transaction.

18. No Partnership. Notwithstanding anything in this Agreement, neither party shall by virtue of this Agreement obtain any equity interest, nor option or other contingent equity interest, in the other party, and is not by virtue of this Agreement obtaining any assets of the other party.

19. Non-Discrimination. In accordance with Paragraphs 49 and 50 of United States Federal Communications Commission Report and Order No. FCC 07-217, RUSA will not discriminate in any contract for advertising on the basis of race or ethnicity, and all such contracts will be evaluated, negotiated and completed without regard to race or ethnicity.

20. General.

20.1. Survival. The terms of Sections 5, 6.1, 10, 15, 16, 18, and 20 shall survive expiration hereof.

20.2. Waiver. Subject to the express terms and conditions of this Agreement, the delay or failure of a party to

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assert or exercise any right, remedy or privilege hereunder, with actual or constructive notice or knowledge of the breach of any representation, warranty or provision herein, shall not constitute a waiver of any such rights, remedy, privilege or breach provided such action is within a reasonable period of time. No waiver shall in any event be effective unless in writing, and then it shall be applicable only in the specific instance for which given.

20.3. Governing Law. This Agreement and all matters or issues collateral thereto shall be governed by and construed in accordance with the laws of the United States and the State of Florida with regard to contracts entered into and to be fully performed within said State, without regard to the choice of laws provisions of any jurisdiction.

20.4. Entire Agreement/Severability. This Agreement and any attachments or exhibits referred to herein (all of which are hereby incorporated herein by reference) constitute the parties' entire agreement with respect to the subject matter hereof and supersede all agreements, representations, warranties, statements, promises and understandings, whether oral or written, with respect to the subject matter hereof. This Agreement may not be amended, altered or modified except by a writing signed by all parties hereto. Any provisions of this Agreement which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Agreement.

20.5. Successors; Assignment. RUSA shall not assign, charge or license any of its rights or obligations hereunder without the prior written consent of IHM; provided, however, that RUSA may assign this Agreement without IHM's consent pursuant to a corporate reorganization or to an affiliate that assumes its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the parties, their legal representatives, permitted successors and permitted assigns.

20.6. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Remainder of this page intentionally left blank; signature page follows]


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IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above.

IHM:

iHeartMedia + Entertainment, Inc.

By: 

Name: Brian P. Olson

Title: Region President
South FL.

RUSA:

RUSA Radio, Inc.

By: 

Name: Anna Perelman

Title: President / CEO