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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 21, 2005**

CCE Spinco, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-32601**	**20-3247759**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

9348 Civic Center Drive	**Beverly Hills**	**CA**	**90210**
(Address of principal executive offices)			(Zip Code)

Registrant's telephone number, including area code: **310-867-7000**

Not Applicable
(Former name or former address, if changed from last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01. Entry Into a Material Definitive Agreement.

On December 21, 2005, the separation of the business previously conducted by Clear Channel Communications, Inc.'s ("Clear Channel") live entertainment segment and sports representation business, now comprising CCE Spinco, Inc.'s business (collectively, the "transferred businesses"), and the distribution by Clear Channel of all of our common stock to its stockholders, was completed in a tax free spin-off (the "Distribution"). We are now an independent public company to be known as Live Nation trading under the symbol "LYV" on the New York Stock Exchange.

In connection with the Distribution, we entered into certain agreements with Clear Channel and its subsidiaries to effect the separation of our business and the Distribution and to define responsibility for obligations arising before and after the date of the Distribution, including, among others, obligations relating to transition services, taxes, employees and intellectual property. Information regarding these agreements summarized below is contained in our Information Statement dated December 9, 2005, filed as Exhibit 99.1 to our Current Report on Form 8-K dated December 12, 2005 filed with the Securities and Exchange Commission ("SEC"), is incorporated by reference into Item 1.01 of this Current Report on Form 8-K. The agreements described below are filed as exhibits to this Current Report on Form 8-K and we refer you to them for a complete understanding of these agreements.

Master Separation and Distribution Agreement

On December 20, 2005, we entered into a Master Separation and Distribution Agreement (the "Master Agreement") with Clear Channel. The Master Agreement provided for, among other things, the principal corporate transactions required to effect the transfer of assets and our assumption of liabilities necessary to separate the transferred businesses from Clear Channel, the distribution of our common stock to the holders of record of Clear Channel common stock on December 14, 2005, and certain other agreements governing our relationship with Clear Channel after the date of the Distribution. The transfers from Clear Channel to us occurred prior to the Distribution and all of the assets were transferred on an "as is," "where is" basis, and we and our subsidiaries agreed to bear the economic and legal risks that any conveyance was insufficient to vest in us good title, free and clear of any security interest, and that any necessary consents or approvals were not obtained or that any requirements of laws or judgments were not complied with. We assumed and agreed to perform and fulfill all of the liabilities arising out of the ownership or use of the transferred assets or the operation of the transferred businesses. We also agreed, among other things, that for our 2005 fiscal year and for any fiscal year thereafter for so long as Clear Channel is required to consolidate our results of operations and financial position with its results of operations and financial position, we will not select an independent registered public accounting firm different from Clear Channel.

Transition Services Agreement

On December 21, 2005, we entered into a Transition Services Agreement (the "Transition Services Agreement") with Clear Channel Management Services, L.P. ("Clear Channel Management Services"), an affiliate of Clear Channel, pursuant to which Clear Channel Management Services will provide services to us, including, but not limited to, the following:

- treasury, payroll and other financial related services;
- human resources and employee benefits;
- legal and related services;
- information systems, network and related services;

- investment services; and
- corporate services.

The charges for the transition services generally are intended to allow Clear Channel Management Services to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, generally without profit. The allocation of costs will be based on various measures depending on the service provided, including relative revenue, employee headcount or number of users of a service.

The services provided under the Transition Services Agreement will terminate at various times specified in such agreement (generally ranging from three months to one year after the completion of the Distribution), but we may terminate any service, other than certain information technology and tax services, by giving at least 90 days' prior written notice to Clear Channel Management Services, and we may terminate tax services with 120 days' prior written notice. Under the terms of the Transition Services Agreement, Clear Channel Management Services will not be liable to us for or in connection with any services rendered pursuant to such agreement or for any actions or inactions taken by Clear Channel Management Services in connection with the provision of services. However, Clear Channel Management Services will be liable for, and will indemnify us for, liabilities resulting from its gross negligence, willful misconduct, improper use or disclosure of customer information or violations of law, subject to a cap on Clear Channel Management Services' liability of an amount equal to payments made by us to Clear Channel Management Services pursuant thereto during the twelve months preceding such event. Additionally, we will indemnify Clear Channel Management Services for any losses arising from the provision of services, except to the extent the liabilities are caused by Clear Channel Management Services' gross negligence or material breach of the Transition Services Agreement.

Tax Matters Agreement

On December 21, 2005, we entered into a Tax Matters Agreement (the "Tax Matters Agreement") with Clear Channel to govern the respective rights, responsibilities and obligations of Clear Channel and us with respect to tax liabilities and benefits, tax attributes, tax contests and other matters regarding income taxes, non-income taxes and preparing and filing tax returns, as well as with respect to any additional taxes incurred by us attributable to actions, events or transactions relating to our stock, assets or business following the spin-off, including taxes imposed if the spin-off fails to qualify for tax-free treatment under Section 355 of the Internal Revenue Code of 1986, as amended, or if Clear Channel is not able to recognize the Holdco #3 Loss (as described therein).

Employee Matters Agreement

On December 21, 2005, we entered into an Employee Matters Agreement (the "Employee Matters Agreement") with Clear Channel covering a number of compensation, employment and employee benefits matters relating to our employees. In general, the Employee Matters Agreement provides that we will be solely responsible for all liabilities and expenses relating to our current and former employees and their covered dependents and beneficiaries, regardless of when incurred.

Trademark and Copyright License Agreement

On December 21, 2005, we entered into a Trademark and Copyright License Agreement (the "Trademark and Copyright License Agreement") with Clear Channel Identity, L.P. ("Clear Channel Identity"), an affiliate of Clear Channel, establishing our right to continue to use the trademark CLEAR CHANNEL, other marks incorporating the term CLEAR CHANNEL or variations thereof, the mark CC, and other marks used in connection with the transferred businesses, and trade dress and other indicia of origin associated with such trademarks and certain of the copyrights in packaging, labels, signage, marketing, advertising and promotional materials that bear or display such trademarks in the licensed territory (as defined therein) for the transferred businesses, during a transitional period ending December 21, 2006.

Nonqualified Deferred Compensation Plan

In connection with the Distribution, effective as of November 1, 2005, SFX Entertainment, Inc. d/b/a Clear Channel Entertainment ("SFX"), our indirect operating subsidiary as of the Distribution, adopted the Clear Channel Entertainment Nonqualified Deferred Compensation Plan (the "Plan"). The Plan is a non-qualified deferred compensation plan for non-employee directors of SFX and employees of SFX and its affiliates who are members of a select group of management or highly-compensated employees selected by the compensation committee of the board of directors of SFX. The Plan is intended to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

Under the Plan, participants may elect to defer a portion of their annual compensation (including, as applicable, salary, commissions, bonuses and director fees). The Plan also provides SFX with the discretion to make matching contributions to participants' accounts. Amounts deferred under the Plan are credited with earnings measured by the performance of hypothetical investment options selected by the participants. SFX may, but is not required to, invest the deferral amounts in a way that mirrors the investment options selected by the participants. Participants are entitled to receive or begin receiving the amounts in their deferral accounts at a specified future date or upon termination of employment, in accordance with election procedures and other distribution rules contained in the Plan. Payments are made in cash and may take the form of lump sum distributions or installment payments. Each participant is an unsecured creditor of SFX with respect to payment of the participant's deferral accounts under the Plan. Any assets set aside for payment of participants' accounts are subject to the claims of SFX's creditors in the event of its insolvency. Subject to certain limitations, the board of directors of SFX has the authority to amend or terminate the Plan.

Other

Copies of the Master Agreement, Transition Services Agreement, Tax Matters Agreement, Employee Matters Agreement, Trademark and Copyright License Agreement and Nonqualified Deferred Compensation Plan are attached hereto as Exhibits 2.1, 10.1, 10.2, 10.3, 10.4 and 10.5 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

A copy of the press release announcing the completion of the Distribution is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information described below under "Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant" is incorporated by reference into Item 1.01 of this Current Report on Form 8-K.

Item 2.01. Completion of Acquisition or Disposition of Assets.

In connection with the Distribution, Clear Channel contributed or otherwise transferred to us the transferred businesses, and we assumed generally all of the liabilities of such businesses. The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into Item 2.01 of this Current Report on Form 8-K. In addition, the financial statements relating to the Distribution set forth in our Information Statement dated December 9, 2005, filed as Exhibit 99.1 to our Current Report on Form 8-K dated December 12, 2005 filed with the Securities and Exchange Commission ("SEC"), are incorporated by reference into Item 2.01 of this Current Report on Form 8-K.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On December 21, 2005, SFX and the foreign borrowers party thereto, as borrowers, and we entered into a $610.0 million credit agreement (the "Credit Agreement"), with a syndicate of banks and other financial institutions (the "Lenders"), including JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian agent, J.P. Morgan Europe Limited, as London agent, Bank of America, N.A., as syndication agent, and J.P. Morgan Securities Inc. and Bank of America Securities LLC, as co-lead arrangers and joint bookrunners.

The Credit Agreement consists of:

- a $325.0 million 7½-year term loan; and
- a $285.0 million 6½-year revolving credit facility, of which up to $235.0 million will be available for the issuance of letters of credit and up to $100.0 million will be available for borrowings in foreign currencies.

The 6½-year revolving credit facility will provide for up to $235.0 million to be available for the issuance of letters of credit, drawings under which reduce the amount available under the revolving credit facility. Availability under the senior secured credit facility will be subject to various conditions precedent typical of syndicated loans.

Subject to then market pricing and maturity extending longer than that of the senior secured credit facility, we will be able to add additional term and revolving commitments under the credit facility in an aggregate amount not to exceed $250.0 million.

The terms and provisions governing the senior secured credit facility consist of the following:

- the senior secured credit facility is secured by a first priority lien on substantially all of our domestic assets (other than real property and deposits maintained by us in connection with promoting or producing live entertainment events) and a pledge of the capital stock of our material domestic subsidiaries (the Credit Agreement deems material subsidiaries to be those which, in the aggregate, represent at least 90% of our consolidated revenues), a portion of the capital stock of certain of our foreign subsidiaries and certain minority equity interests owned by us;
- borrowings in foreign currencies by our foreign subsidiaries are, in addition, secured by a first priority lien on substantially all of our foreign assets (other than real property and deposits maintained by us in connection with promoting or producing live entertainment events) and a pledge of the capital stock of our foreign subsidiaries and all subsidiaries of each such subsidiary;

- borrowings under the 7 1/2-year term loan facility bear interest at per annum floating rates equal, at our option, to either (1) the base rate (which is the greater of the prime rate offered by the administrative agent or the federal funds rate plus 0.50%) plus 1.25% or (2) Adjusted LIBOR plus 2.25%;
- borrowings under the 6 1/2-year revolving facility bear interest at per annum floating rates equal, at our option, to either (1) the base rate (which is the greater of the prime rate offered by the administrative agent or the federal funds rate plus 0.50%) plus 0.75% or (2) Adjusted LIBOR plus 1.75%;
- Sterling and Euro-denominated borrowings under the 6 1/2-year revolving facility bear interest at per annum floating rates equal to either Adjusted LIBOR or Adjusted EURIBOR, respectively, plus 1.75%;
- borrowings in other foreign currency denominations under the 6 1/2-year revolving facility bear interest at rates as specified therein or to be agreed upon;
- following delivery of our December 31, 2005 audited financial statements to our lenders, the interest rates applicable to U.S. Dollar, Sterling or Euro-denominated borrowings under the 6 1/2-year revolving facility will, from time to time, be determined and adjusted based on our total leverage;
- interest rates will be increased by 2.00% per annum on past-due amounts;
- interest on base rate loans will be payable quarterly on the last day of each March, June, September and December;
- interest on Adjusted LIBOR and Adjusted EURIBOR loans will generally be payable as of the last day of an interest period but in any event, no less frequently than every three months on interest periods of greater than three months;
- we will pay a commitment fee based on the undrawn balance of the 6 1/2-year revolving credit facility and we will pay letter of credit fees on letter of credit amounts that are available for drawing;
- scheduled installments of principal reductions on the 7 1/2-year term loan will commence on March 31, 2006 and will be payable quarterly in principal amounts each equal to 0.25% of $325.0 million, except the final quarterly principal payment, which will be payable in the amount of the balance of the term loan;
- we are permitted to prepay the term loan and to permanently reduce revolving credit commitments, in whole or in part, at any time without penalty, other than a prepayment fee of 1% of the amount of the term loan voluntarily prepaid before the first anniversary date of that loan; however, if a prepayment of principal is made with respect to an Adjusted LIBOR or Adjusted EURIBOR loan on a date other than the last day of the applicable interest period, we will be required to compensate the lenders for losses and expenses incurred as a result of the prepayment;
- amounts voluntarily prepaid by us will be applied, at our discretion, to prepay the term loans or revolving loans;
- we are required to prepay the 7 1/2-year term loan from certain asset sale proceeds and casualty and condemnation proceeds that we do not reinvest within a 365-day period (or in some instances, within 180 days after such 365-day period) or from debt issuance proceeds if our leverage condition then exceeds a prescribed ratio, with all such proceeds being applied pro ratably to scheduled installments of principal reductions;
- the senior secured credit facility requires us to meet minimum financial requirements, and in addition, the senior secured credit facility includes restrictive covenants that, among other things, restrict our ability to:
  - incur additional debt;

- pay dividends and make distributions;
- make certain investments and acquisitions;
- repurchase our stock and prepay certain indebtedness;
- create liens;
- enter into agreements with affiliates;
- modify our nature of business;
- enter into sale and leaseback transactions;
- transfer and sell material assets; and
- merge or consolidate; and

- the senior secured credit facility contains customary events of default, including without limitation payment defaults, material breaches of representations and warranties, covenant defaults, cross defaults to certain material indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, imposition of final judgments in excess of specified amounts, certain ERISA defaults, failure of any guaranty or security documents materially supporting the senior secured credit facility to be in full force and effect and a change of control.

Our failure to comply with the terms and covenants in instruments governing our other indebtedness could lead to a default in those instruments, which would entitle the Lenders to accelerate the indebtedness under the senior secured credit facility and declare all such amounts owed due and payable.

After giving effect to the borrowings under our senior secured credit facility, we have approximately $367.6 million of indebtedness for borrowed money outstanding. Our $610 million credit facility is rated B1 by Moody's Investors Services, Inc. and B+ by Standards & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., which is below the ratings given to Clear Channel's senior debt by such ratings agencies. Approximately $235.0 million of the revolving credit facility will remain available for working capital and general corporate purposes of SFX and its subsidiaries immediately following the distribution date after the transfer of approximately $50.0 million of letters of credit previously issued under Clear Channel's credit facilities on behalf of certain SFX subsidiaries. The issuance of letters of credit will reduce this availability by the notional amount of issued letters of credit.

The summary of the Credit Agreement set forth in this Item 2.03 is qualified in its entirety by reference to the text of the Credit Agreement, a copy of which is incorporated by reference herein as Exhibit 10.11.

Item 8.01 of this Current Report on Form 8-K relating to a direct financial obligation created by the issuance of the preferred stock by one of our subsidiaries is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

Our board of directors adopted a stockholder rights plan pursuant to our rights agreement with The Bank of New York, as rights agent (the "Rights Agreement"), in connection with the Distribution that became effective on December 21, 2005 and declared a dividend distribution of one preferred share purchase right (a "right") for each outstanding share of our common stock to stockholders of record as of 5:00 p.m., New York City time, on December 21, 2005. Each right being issued will be subject to the terms of the Rights Agreement. In connection with the Rights Agreement, we filed the Certificate of Designations of Series A Junior Participating Preferred Stock with the Secretary of State of the State of Delaware on December 15, 2005, pursuant to which we designated 20,000,000 shares of our preferred

stock as Series A Junior Participating Preferred Stock having the designations, rights, preferences and limitations set forth therein.

The stockholder rights plan was adopted to protect our stockholders from coercive or otherwise unfair takeover tactics. In general terms, our rights agreement works by imposing a significant penalty upon any person or group that acquires 15% or more of our outstanding common stock, and in the case of certain Schedule 13G filers, 20% or more of our outstanding common stock, without the approval of our board of directors.

Our rights trade with, and are inseparable from, our common stock. Our rights are evidenced only by certificates that represent shares of our common stock. New rights will accompany any new shares of common stock we issue after the distribution date until the date on which the rights are distributed.

Each right allows its holder to purchase from us one one-hundredth of a share of our Series A junior participating preferred stock for $80.00, once the rights become exercisable. Prior to exercise, our right does not give its holder any dividend, voting or liquidation rights.

Each right will not be exercisable until:

- ten days after the public announcement that a person or group has become an “acquiring person” by obtaining beneficial ownership of 15% or more of our outstanding common stock or, in the case of certain Schedule 13G filers, 20% or more of our outstanding common stock, or, if earlier,
- ten business days (or a later date determined by our board of directors before any person or group becomes an acquiring person) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

Flip In. If a person or group becomes an acquiring person, all holders of our rights except the acquiring person may, for the then applicable exercise price, purchase shares of our common stock with a market value of twice the then applicable exercise price, based on the market price of our common stock prior to such acquisition.

Flip Over. If we are later acquired in a merger or similar transaction after the date our rights become exercisable, all holders of our rights except the acquiring person may, for the then applicable exercise price, purchase shares of the acquiring corporation with a market value of twice the then applicable exercise price, based on the market price of the acquiring corporation’s stock prior to such merger.

Our rights will expire on December 21, 2015. Our board of directors may redeem our rights for $0.01 per right at any time before the rights separate from our common stock and rights certificates are mailed to eligible holders of our common stock. If our board of directors redeems any of our rights, it must redeem all of our rights. Once our rights are redeemed, the only right of the holders of our rights will be to receive the redemption price of $0.01 per right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock. After a person or group becomes an acquiring person, but before an acquiring person owns 50% or more of our outstanding common stock, our board of directors may extinguish our rights by exchanging one share of our common stock or an equivalent security for each right, other than rights held by the acquiring person.

Our board of directors may adjust the purchase price of our preferred stock, the number of shares of our preferred stock issuable and the number of our outstanding rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of our preferred stock or common stock. No adjustments to the purchase price of our preferred stock of less than 1% will be made.

The terms of the Rights Agreement may be amended by our board of directors without the consent of the holders of our rights. After a person or group becomes an acquiring person, our board of directors may not amend the agreement in a way that adversely affects holders of our rights.

The Rights Agreement specifying the terms of the rights, the form of Certificate of Designation of Series A Junior Participating Preferred Stock, and the form of Right Certificate, are attached hereto as Exhibits 4.1, 4.2 and 4.3 and are incorporated herein by reference.

The disclosure under Item 2.03 of this Current Report on Form 8-K relating to the restriction on dividends contained in the Credit Agreement and under Item 8.01 of this Current Report on Form 8-K contained in the preferred stock designations of one of our subsidiaries are also responsive to this Item 3.03 and are incorporated herein by reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Prior to and in connection with the Distribution, Clear Channel, as our sole stockholder, effective December 21, 2005, elected the following persons to our board of directors for a term expiring at our annual meeting of the stockholders in the year set forth beside each such person's name:

Henry Cisneros — 2009
Jeffrey T. Hinson — 2008
Connie McCombs McNab — 2009
John N. Simons, Jr. — 2007
Timothy P. Sullivan — 2008
Michael Rapino — 2007

Our board of directors also appointed Mr. Hinson as the chairman of the Audit Committee and the audit committee financial expert (as defined in the applicable regulations of the SEC), and Messrs. Simons and Sullivan as members of the Audit Committee. Our board of directors also appointed Mr. Cisneros, as the chairman, and Mrs. McNab as members of the Nominating and Governance Committee, and Mr. Simons, as the chairman, and Mr. Sullivan as members of the Compensation Committee.

There is no arrangement or understanding between any of Messrs. Cisneros, Hinson, Simons, Sullivan, Rapino and Mrs. McNab, and any other person pursuant to which any of Messrs. Cisneros, Hinson, Simons, Sullivan, Rapino and Mrs. McNab was elected as a director. There are no transactions in which Messrs. Cisneros, Hinson, Simons, Sullivan, Rapino and Mrs. McNab has an interest requiring disclosure under Item 404(a) of Regulation S-K.

Biographical information regarding the directors listed above is contained in our Information Statement, dated December 9, 2005, filed as Exhibit 99.1 to our Current Report on Form 8-K, filed with the SEC on December 12, 2005, which is incorporated herein by reference.

Effective with the Distribution, Kathy Willard, 39, became our Executive Vice President and Chief Accounting Officer. Prior thereto, she served as the Chief Financial Officer of SFX since

December 2004. Ms. Willard joined SFX, which was acquired by Clear Channel on August 1, 2000 in September 1998. In 2000, she was promoted to Vice President and Controller for Clear Channel Entertainment. In January 2001, Ms. Willard was then promoted to Senior Vice President and Chief Accounting Officer for Clear Channel Entertainment until her promotion in December 2004 to Chief Financial Officer.

On December 22, 2004, we entered into an employment agreement with Ms. Willard, which was amended on December 1, 2005, effective as of January 1, 2005. The initial term of the employment agreement ends on December 31, 2007; the term automatically extends one day at a time for twelve months beginning on January 1, 2007, so that commencing on January 1, 2008 and continuing for so long thereafter as she remains employed, there will always be exactly one year remaining in the term of the agreement. Under the employment agreement, she receives a base salary of $300,000 per year, which is subject to an annual increases in accordance with company policy. Ms. Willard is also eligible to receive a performance bonus targeted at $90,000; provided, however, for 2005 she will receive a guaranteed minimum performance bonus of $50,000, payable within 90 days of the end of the calendar year. We may terminate the contract for any reason at any time. We may also terminate Ms. Willard's employment at any time with "Cause," as defined in the agreement. If Ms. Willard is terminated without "Cause," she is entitled to receive a lump sum payment of accrued and unpaid base salary and prorated bonus, if any, and any payments to which she may be entitled under any applicable employee benefit plan. In addition, if Ms. Willard signs a general release of claims, she will be entitled to receive a lump sum payment equal to twelve months of her annual base salary. The agreement provides that Ms. Willard may not compete with us during the term of the agreement and for one year thereafter where we operate or plan to operate, including within a 50 mile radius of such location. The summary of our employment agreement with Ms. Willard set forth in this Item 5.02 is qualified in its entirety by reference to the text of such agreement, a copy of which is filed hereto as Exhibit 10.13 to this Current Report on Form 8-K and is incorporated herein by reference.

There is no family relationship between Ms. Willard and any director, executive officer, or person nominated or chosen by the registrant to become a director or executive officer. There are no transactions in which Ms. Willard has an interest requiring disclosure under Item 404(a) of Regulation S-K.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Our Amended and Restated Bylaws were approved and adopted by our board of directors on December 2, 2005, and became effective on December 21, 2005 in connection with the Distribution.

A copy of our Amended and Restated Bylaws is filed hereto as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 8.01. Other Events.

Prior to the Distribution, CCE Holdco #2, Inc. ("Holdco #2") was formed. In connection with its formation, Clear Channel subscribed for and purchased all of Holdco #2's common stock and Series B (non-voting) redeemable preferred stock in exchange for all of the outstanding stock of SFX, one of our operating subsidiaries (the "Holdco #3 Exchange"). Simultaneously, third-party investors unrelated to Clear Channel subscribed for and purchased from Holdco #2 all of the shares of Holdco #2 Series A (voting) mandatorily redeemable preferred stock for $20 million. Immediately thereafter, other third-party investors unrelated to Clear Channel purchased from Clear Channel all of the shares of Holdco #2 Series B (non-voting) mandatorily redeemable preferred stock for $20 million pursuant to a pre-existing binding agreement.

Following the issuance by Holdco #2 of its common stock and Series A and Series B preferred stock, and prior to the Distribution, Clear Channel contributed all of Holdco #2's common stock to us in exchange for shares of our common stock, which were distributed to Clear Channel's shareholders in the Distribution, and we contributed all of Holdco #2's common stock to our wholly-owned subsidiary CCE Holdco #1, Inc ("Holdco #1") in exchange for shares of the Holdco #1's common stock. As a result of these transactions, Holdco #2 is our indirect subsidiary and the parent company of SFX, our operating subsidiary which owns more than 95% of the gross value of our assets. We did not receive any of the proceeds from the sale of the Series B redeemable preferred stock sold by Clear Channel. The Series A redeemable preferred stock has a liquidation preference of $20 million plus accrued but unpaid dividends. The Series B redeemable preferred stock has a liquidation preference of $20 million plus accrued but unpaid dividends. The preferred stock bears a dividend of 13% and is mandatorily redeemable on December 21, 2011, although we are obligated to make an offer to repurchase the preferred stock at 101% of the liquidation preference in the event of a change of control. The holders of Series A redeemable preferred stock will have the right to appoint one out of four members to Holdco #2's board of directors and to otherwise control 25% of the voting power of all outstanding shares of Holdco #2. The issuance and sale of the Series A and Series B redeemable preferred stock together with the Holdco #3 Exchange were structured to raise desired financing and to facilitate the overall tax efficiency of the Distribution. The Series A and Series B redeemable preferred stock is subject to financial and other covenants substantially similar to the covenants applicable to our senior secured credit facility. If we default under any of the covenants applicable to Holdco #2's preferred stock, we will have to pay additional dividends of 250 basis points and the holders of Holdco #2 preferred stock would be entitled to elect an additional director of Holdco #2. In addition, Holdco #2's preferred stock designation contains a covenant that our leverage ratio cannot exceed 4.0 to 1; if we breach this covenant we will be required to pay additional dividends of 200 to 700 basis points, depending on the leverage ratio.

Additional information concerning the preferred stock issuance and related matters is contained in our Information Statement, dated December 9, 2005, filed as Exhibit 99.1 to our Current Report on Form 8-K dated December 12, 2005. A copy of the certificate of incorporation of Holdco #2 is attached to this Current Report on Form 8-K as Exhibit 10.6 and is incorporated herein by reference.

We are among the defendants in a lawsuit filed September 3, 2002, by JamSports in the United States Federal District Court for the Northern District of Illinois, as described in more detail in our Information Statement, dated December 9, 2005, filed as Exhibit 99.1 to our Current Report dated Form 8-K dated December 12, 2005. On December 20, 2005 the parties entered into a settlement agreement. Clear Channel has agreed to pay all amounts related to the settlement of the lawsuit; however, we will incur an additional pre-tax charge to operating results in fourth quarter of approximately $6 million.

We were among the defendants in a lawsuit by Keith Beccia on July 10, 2002 and pending in the Morris County Superior Court in New Jersey, as described in more detail in the Information Statement, dated December 9, 2005, filed as Exhibit 99.1 to our Current Report on Form 8-K dated December 12, 2005. On December 14, 2005, the parties entered into a settlement agreement. The settlement is on terms that are not material to us and does not constitute an admission of wrongdoing or liability by us.

A copy of the press release announcing the completion of the Distribution is attached to this Current Report on Form 8-K as Exhibit 99.1. A copy of our Information Statement, dated December 9, 2005, is attached as Exhibit 99.1 to our Current Report on Form 8-K dated December 12, 2005, filed with the SEC, which is incorporated herein by reference.

We announced today that our board of directors had authorized a stock repurchase program effective immediately under which we may purchase up to an aggregate of $150 million of our common stock from time-to-time, expected to commence after the Distribution. A copy of the press release announcing the stock repurchase program is attached to this Current Report on Form 8-K as Exhibit 99.2.

The information in this Form 8-K under "Item 8.01. Other Events," Exhibits 99.1 and 99.2 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of

1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

2.1	Master Separation and Distribution Agreement between Clear Channel Communications, Inc. and CCE Spinco, Inc., dated December 20, 2005
3.1	Amended and Restated Bylaws of CCE Spinco, Inc.
4.1	Rights Agreement between CCE Spinco, Inc. and The Bank of New York, as rights agent, dated December 21, 2005
4.2	Form of Certificate of Designations of Series A Junior Participating Preferred Stock (attached as Annex A to the Rights Agreement filed as Exhibit 4.1 hereto)
4.3	Form of Right Certificate (attached as Annex B to the Rights Agreement filed as Exhibit 4.1 hereto)
10.1	Transition Services Agreement between CCE Spinco, Inc. and Clear Channel Management Services, L.P., dated December 21, 2005
10.2	Tax Matters Agreement among CCE Spinco, Inc., CCE Holdco #2, Inc. and Clear Channel Communications, Inc., dated December 21, 2005
10.3	Employee Matters Agreement between CCE Spinco, Inc. and Clear Channel Communications, Inc., dated December 21, 2005
10.4	Trademark and Copyright License Agreement between CCE Spinco, Inc. and Clear Channel Identity, L.P., dated December 21, 2005
10.5	Clear Channel Entertainment Nonqualified Deferred Compensation Plan
10.6	Certificate of Incorporation of CCE Holdco #2, Inc.
10.7	CCE Spinco, Inc. 2005 Stock Incentive Plan
10.8	Form of Stock Option Agreement under the CCE Spinco, Inc. 2005 Stock Incentive Plan
10.9	Form of Restricted Stock Award Agreement under the CCE Spinco, Inc. 2005 Stock Incentive Plan
10.10	CCE Spinco, Inc. Annual Incentive Plan
10.11	Credit Agreement, dated as of December 21, 2005, among SFX Entertainment, Inc. and the foreign borrowers party thereto, as Borrowers, and CCE Spinco, Inc., the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Agent, J.P. Morgan Europe Limited, as London Agent, Bank of America, N.A., as Syndication Agent, and J.P. Morgan Securities Inc. and Bank of America Securities LLC, as Co-Lead Arrangers and Joint Bookrunners
10.12	Guarantee and Collateral Agreement, dated December 21, 2005, among CCE Spinco, Inc., SFX Entertainment, INC., the other subsidiaries of CCE Spinco, Inc. identified therein and JPMorgan Chase Bank, N.A., as Administrative Agent
10.13	Employment Agreement, dated December 22, 2004, by and between Kathy Willard and SFX Entertainment, Inc., d/b/a Clear Channel Entertainments, as amended December 1, 2005 effective January 1, 2005
99.1	Press Release dated December 21, 2005
99.2	Press Release dated December 22, 2005
99.3	Information Statement of CCE Spinco, Inc. dated December 9, 2005 (incorporated herein by reference to Exhibit 99.1 to the CCE Spinco, Inc. Form 8-K (Commission File No. 1-32601) filed December 12, 2005)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: December 22, 2005

CCE SPINCO, INC.

By: /s/Kathy Willard
Kathy Willard
Chief Accounting Officer

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
2.1	Master Separation and Distribution Agreement between Clear Channel Communications, Inc. and CCE Spinco, Inc., dated December 20, 2005
3.1	Amended and Restated Bylaws of CCE Spinco, Inc.
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Exhibit 2.1

MASTER SEPARATION AND DISTRIBUTION AGREEMENT

BETWEEN

CLEAR CHANNEL COMMUNICATIONS, INC.

AND

CCE SPINCO, INC.

Dated December 20, 2005

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EXHIBITS

A Form of Transition Services Agreement
B Form of Tax Matters Agreement
C Form of Employee Matters Agreement
D Form of Trademark and Copyright License Agreement
E Form of Amended and Restated Certificate of Incorporation
F Form of Amended and Restated Bylaws
G Form of Rights Agreement

SCHEDULES

MASTER SEPARATION AND DISTRIBUTION AGREEMENT

This MASTER SEPARATION AND DISTRIBUTION AGREEMENT, dated December 20, 2005 (this "Agreement"), is made between Clear Channel Communications, Inc., a Texas corporation ("CCU"), and CCE Spinco, Inc., a Delaware corporation and as of the date hereof, a wholly-owned subsidiary of CCU ("Entertainment"). Certain capitalized terms used in this Agreement are defined in Section 1.1 and the definitions of the other capitalized terms used in this Agreement are cross-referenced in Section 1.2.

W I T N E S S E T H:

WHEREAS, the board of directors of CCU has determined that it is appropriate and desirable for CCU to separate the Entertainment Group from CCU;

WHEREAS, in connection with the separation of the Entertainment Group from CCU, (a) CCU desires to contribute, assign or otherwise transfer, and to cause certain of its Subsidiaries to contribute, assign or otherwise transfer, to Entertainment and certain of Entertainment's Subsidiaries, certain Assets and Liabilities associated with the Entertainment Business, including the stock or other equity interests of certain of CCU's Subsidiaries dedicated to the Entertainment Business, and (b) Entertainment desires to contribute, assign or otherwise transfer, and to cause certain of its Subsidiaries to contribute, assign or otherwise transfer, to CCU and certain of CCU's Subsidiaries, certain Assets and Liabilities that are not associated with the Entertainment Business (collectively, the "Contribution");

WHEREAS, after the Contribution, CCU intends to divest all of its ownership interest in Entertainment through a distribution of outstanding shares of Entertainment Common Stock to the holders of common stock of CCU, without any consideration being paid by the CCU shareholders, pursuant to the terms and subject to the conditions of this Agreement (the "Distribution");

WHEREAS, CCU has filed with the SEC a registration statement on Form 10 pursuant to the Exchange Act in connection with the Distribution (the "Form 10");

WHEREAS, in connection with and prior to the Distribution, CCU will contribute to the capital of the member of the Entertainment Group that is a wholly-owned subsidiary of CCU on the date hereof (the "Capital Contribution") $639,623,875 of the approximately $860 million of intercompany indebtedness owed by such member of the Entertainment Group to CCU (the "Intercompany Debt");

WHEREAS, in connection with and prior to the Distribution and following the Capital Contribution, a member of the Entertainment Group will issue (a) Series A voting redeemable preferred stock to third-party investors for aggregate net cash proceeds of no less than $20 million (the "Series A Preferred Stock Issuance"), and (b) Series B non-voting redeemable preferred stock to CCU in part consideration for CCU's contribution of common stock of a Subsidiary to such member of the Entertainment Group (the "Series B Preferred Stock Issuance") and immediately thereafter, CCU will sell such Series B non-voting preferred stock to a third-party investor for aggregate net cash proceeds of no less than $20 million (the "Series B Preferred Stock Sale");

WHEREAS, in connection with and prior to or concurrently with the Distribution and following the Capital Contribution, a member of the Entertainment Group will enter into a senior secured revolving and term loan credit facility of up to $610 million in the aggregate (the "Credit Facility");

WHEREAS, in connection with and prior to or concurrently with the Distribution, with borrowings under the Credit Facility and the net cash proceeds of the Series A Preferred Stock Issuance, the Entertainment Group will pay to CCU the remaining balance of the Intercompany Debt;

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Contribution, the Distribution and certain other agreements that will, following the consummation of the Distribution, govern certain matters relating to the relationship of CCU, Entertainment and their respective Groups; and

WHEREAS, the terms and conditions set forth herein have not resulted from arms length negotiations between the parties because of the context of CCU's and Entertainment's parent –Subsidiary relationship, and accordingly, such terms and conditions may be in some respects less favorable to Entertainment than those it could obtain from unaffiliated third parties.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" (and, with a correlative meaning, "affiliated") means, with respect to any Person, any direct or indirect Subsidiary of such Person, and any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such first Person; provided, however, that from and after the Distribution Date, no member of the Entertainment Group shall be deemed an Affiliate of any member of the CCU Group for purposes of this Agreement and the Transaction Documents and no member of the CCU Group shall be deemed an Affiliate of any member of the Entertainment Group for purposes of this Agreement and the Transaction Documents. As used in this definition, "control" (including with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies, or the

power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), of a Person.

"Assets" means, with respect to any Person, the assets, properties and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(a) all interests in any capital stock, equity interests or capital or profit interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person;

(b) all apparatus, computers and other electronic data processing equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks, vessels, motor vehicles and other transportation equipment and other tangible personal property;

(c) all interests in real property of whatever nature, including easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee or otherwise;

(d) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape or any other form;

(e) all license agreements, leases of personal property, open purchase orders for supplies, parts or services and other contracts, agreements or commitments;

(f) all deposits, letters of credit and performance and surety bonds;

(g) all written technical information, data, specifications, research and development information, engineering drawings, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(h) all domestic and foreign intangible personal property, patents, copyrights, trade names, trademarks, service marks and registrations and applications for any of the foregoing, mask works, trade secrets, inventions, designs, ideas, improvements, works of authorship, recordings, other proprietary and confidential information and licenses from third Persons granting the right to use any of the foregoing;

(i) all computer applications, programs and other software, including operating software, network software firmware, middleware, design software, design tools, systems documentation and instructions;

(j) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product

literature, artwork, design, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(k) all prepaid expenses, trade accounts and other accounts and notes receivables;

(l) all rights under contracts or agreements, all claims or rights against any Person arising from the ownership of any Asset, all rights in connection with any bids or offers and all claims, chooses in action or similar rights, whether accrued or contingent;

(m) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(n) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority;

(o) cash or cash equivalents, bank accounts, lock boxes and other deposit arrangements; and

(p) interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

"CCU Common Stock" means the issued and outstanding common stock of CCU, $0.10 par value per share.

"CCU Group" means CCU and each Person (other than a member of the Entertainment Group) that is an Affiliate of CCU immediately following the Distribution.

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

"Consent" means any consent, waiver or approval from, or notification requirement to, any third parties.

"Delayed Transfer Assets" means any Entertainment Assets that are expressly provided in this Agreement or any Transaction Document to be transferred after the Contribution.

"Delayed Transfer Liabilities" means any Entertainment Liabilities that are expressly provided in this Agreement or any Transaction Document to be assumed after the Contribution.

"Effective Date" means December 21, 2005, or with respect to any specific Entertainment Asset or Entertainment Liability, the effective date otherwise specified in the applicable CCU Transfer Document.

"Entertainment Balance Sheet" means Entertainment's unaudited Pro Forma Combined Statement of Financial Position as of September 30, 2005 included in the Form 10.

"Entertainment Business" means the current businesses of the Entertainment Group, including the business of promoting and producing, and operating venues for, live entertainment

events, including music concerts, theatrical performances and specialized motor sports, as well as sports representation, all as described in the Form 10.

"Entertainment Common Stock" means the common stock, $0.01 par value per share, of Entertainment, with the rights, terms and privileges set forth in the Charter.

"Entertainment Contracts" means the following contracts and agreements to which CCU or any of its Subsidiaries is a party or by which CCU or any of its Subsidiaries or any of their respective Assets is bound, whether or not in writing, except for any such contract or agreement that is contemplated to be retained by CCU or any member of the CCU Group pursuant to any provision of this Agreement or any Transaction Document:

(a) any contract or agreement entered into in the name of, or expressly on behalf of, any division, business unit or member of the Entertainment Group;

(b) any contract or agreement, including any joint venture agreement, that is used exclusively or held for use exclusively in the Entertainment Business;

(c) any guarantee, indemnity, representation, warranty or other Liability of any member of the Entertainment Group or the CCU Group in respect of (i) any other Entertainment Contract, (ii) any Entertainment Asset or Entertainment Liability or (iii) the Entertainment Business; and

(d) any contract or agreement that is otherwise expressly contemplated pursuant to this Agreement or any of the Transaction Documents to be assigned to Entertainment or any member of the Entertainment Group in connection with the Contribution.

"Entertainment Group" means Entertainment and each Person (other than a member of the CCU Group) that is an Affiliate of Entertainment immediately following the Distribution; provided that any Delayed Transfer Asset that is transferred to Entertainment at any time following the Distribution shall, to the extent applicable, and from and after the Distribution, be considered part of the Entertainment Group for all purposes of this Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made thereto.

"Force Majeure" means, with respect to a party, an event beyond the control of such party (or any Person acting on its behalf), which by its nature could not have been foreseen by such party (or such Person), or, if it could have been foreseen, was unavoidable, and includes, without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources or distribution facilities.

"GAAP" means United States generally accepted accounting principles.

"Governmental Approvals" means any notice, report or other filing to be made with, or any consent, registration, approval, permit or authorization to be obtained from, any Governmental Authority.

"Governmental Authority" means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality, whether federal, state, local or foreign (or any political subdivision thereof), and any tribunal, court or arbitrator(s) of competent jurisdiction.

"Group" means the CCU Group or the Entertainment Group, as the context requires.

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible form, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Insurance Proceeds" means those monies: (a) received by an insured from an insurance carrier; (b) paid by an insurance carrier on behalf of the insured; or (c) received (including by way of setoff) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"IP Application" means any application for the registration, acquisition or perfection of intellectual property rights, including patent applications, copyright applications and trademark applications.

"Law" means any federal, state, local or foreign law (including common law), statute, code, ordinance, rule, regulation or other requirement enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" means any debt, loss, damage, adverse claim, liability or obligation of any Person (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto.

"NYSE" means the New York Stock Exchange, Inc.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

"Record Date" means the close of business on the date determined by CCU's board of directors as the record date for determining the shareholders of CCU entitled to receive Entertainment Common Stock pursuant to the Distribution.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made thereto.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer (other than restrictions on transfer imposed by federal and/or state securities laws), or other encumbrance of any nature whatsoever.

"Subsidiary" or "subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (a) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such entity, (ii) the total combined equity interests, or (iii) the capital or profit interests, in the case of a partnership; or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tax" means all federal, state, provincial, territorial, municipal, local or foreign income, profits, franchise, gross receipts, environmental (including taxes under Code Section 59A), customs, duties, net worth, sales, use, goods and services, withholding, value added, *ad valorem*, employment, social security, disability, occupation, pension, real property, personal property (tangible and intangible), stamp, transfer, conveyance, severance, production, excise, premium, retaliatory and other taxes, withholdings, duties, levies, imposts, guarantee fund assessments and other similar charges and assessments (including any and all fines, penalties and additions attributable to or otherwise imposed on or with respect to any such taxes, charges, fees, levies or other assessments, and interest thereon) imposed by or on behalf of any Taxing Authority, in each case whether such Tax arises by Law, contract, agreement or otherwise.

"Taxing Authority" means any Governmental Authority exercising any authority to impose, regulate, levy, assess or administer the imposition of any Tax.

"Transactions" means, collectively, (a) the Contribution, (b) the Distribution, (c) the Credit Facility, (d) the Series A Preferred Stock Issuance, (e) the Series B Preferred Stock Issuance, (f) the Series B Preferred Stock Sale, (g) the repayment by the Entertainment Group of a portion of the Intercompany Debt, (h) the Capital Contribution, and (i) all other transactions contemplated by this Agreement or any other Transaction Document.

1.2 Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated.

Term	Section
After-Tax Basis	6.5(c)
Agreement	Preamble
Assumed Actions	7.3(a)
Bylaws	3.4
Capital Contribution	Recitals
CCU	Preamble
CCU Annual Statements	5.1(b)
CCU Auditors	5.1(b)
CCU Confidential Information	7.2(b)
CCU Indemnified Parties	6.2
CCU Policies	7.4(b)
CCU Transfer Documents	2.8
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Dispute	8.1(a)
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Distribution Date	3.1
	3.2(b)
Employee Matters Agreement	(iii)
Entertainment	Preamble
Entertainment Annual Statement	5.1(b)
Entertainment Assets	2.2(a)
Entertainment Auditors	5.1(a)
Entertainment Confidential Information	7.2(a)
Entertainment Indemnified Parties	6.3
Entertainment Liabilities	2.3(a)
Entertainment Transfer Documents	2.9(a)(iii)
Excluded Assets	2.2(b)
Excluded Liabilities	2.3(b)
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Form 10	Recitals
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Indemnifying Party	6.5(a)
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Intercompany Debt	Recitals
Privilege	5.9
Representatives	7.2(a)
Response	8.2
Rights Agreement	3.4
Series A Preferred Stock Issuance	Recitals

Term	Section
Series B Preferred Stock Issuance	Recitals
Series B Preferred Stock Sale	Recitals
Shared Employee	4.3(e)
Tax Matters Agreement	3.2(b)(ii)
Third Party Claim	6.6(a)
Trademark License Agreement	3.2(b)(iv)
Transaction Documents	3.2(b)
Transfer Documents	2.9(a)(iii)
Transition Services Agreement	3.2(b)(i)

ARTICLE II
THE CONTRIBUTION

2.1 Transfer of Entertainment Assets; Assumption of Entertainment Liabilities.

(a) The Contribution shall be effected in accordance with the terms and conditions of this Agreement and the other Transfer Documents. On or before the Effective Date:

(i) CCU shall, and shall cause its applicable Subsidiaries to, contribute, assign, transfer, convey and deliver to Entertainment or certain of its Subsidiaries designated by Entertainment, and Entertainment or such applicable Subsidiaries shall accept from CCU and its applicable Subsidiaries, all of CCU's and such Subsidiaries' respective rights, titles and interests in and to all Entertainment Assets, other than the Delayed Transfer Assets, with such contributions, assignments, transfers and conveyances being subject to the terms and conditions of this Agreement and any applicable Transfer Documents; and

(ii) Entertainment shall, and shall cause its applicable domestic Subsidiaries to, accept, assume and agree, on a several and not joint basis, to perform, discharge and fulfill all the Entertainment Liabilities, other than the Delayed Transfer Liabilities, in accordance with their respective terms; provided, however, that neither Entertainment nor any of its Subsidiaries shall assume any Entertainment Liabilities in excess of the maximum amount of such liabilities that can be hereby incurred without rendering such acceptance and assumption, as it relates to Entertainment or such Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer. Entertainment and such Subsidiaries shall be responsible for all Entertainment Liabilities assumed by it, regardless of when or where such Entertainment Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Effective Date, regardless of where or against whom such Entertainment Liabilities are asserted or determined (including any Entertainment Liabilities arising out of claims made by CCU's or Entertainment's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the CCU Group or the Entertainment Group) or whether asserted or determined prior to the date hereof, and, except as set forth in Section 2.3(b)(iv), regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the CCU Group or the Entertainment Group, or any of their past or present respective directors, officers, employees, agents, Subsidiaries or Affiliates. Such assumption of Entertainment Liabilities

shall be subject to the terms and conditions of this Agreement and any applicable Transfer Documents.

(b) Each of the parties agrees that the Delayed Transfer Assets will be contributed, assigned, transferred, conveyed and delivered, and the Delayed Transfer Liabilities will be accepted and assumed, in accordance with the terms of the applicable Transaction Documents. Notwithstanding the date on which any such Delayed Transfer Asset is actually contributed, assigned, conveyed and delivered, or the date on which any such Delayed Transfer Liability is actually accepted and assumed, such contribution, assignment, transfer, conveyance and delivery of any Delayed Transfer Asset, or the acceptance and assumption of any Delayed Transfer Liability, shall be deemed to have taken place on, and shall be effective as of, the Distribution, and the applicable Delayed Transfer Asset or Delayed Transfer Liability shall be treated for all purposes of this Agreement and the Transaction Documents as an Entertainment Asset or an Entertainment Liability, as the case may be, from and after the Distribution.

(c) If at any time or from time to time (whether prior to or after the Effective Date), any party hereto (or any member of such party's respective Group) shall receive or otherwise possess any Asset that is allocated to any other Person pursuant to this Agreement or any Transaction Document, such party shall promptly transfer, or cause to be transferred, such Asset to the Person so entitled thereto. Prior to any such transfer, the Person receiving or possessing such Asset shall hold such Asset in trust for any such other Person.

(d) Entertainment hereby waives compliance by each member of the CCU Group with the requirements and provisions of the "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Entertainment Assets to any member of the Entertainment Group.

2.2 Entertainment Assets.

(a) Subject to Section 2.2(b), for purposes of this Agreement, "Entertainment Assets" shall mean (without duplication):

(i) all Assets that are expressly provided by this Agreement or any Transaction Document as Assets to be transferred by CCU and other members of the CCU Group to Entertainment or another designated member of the Entertainment Group;

(ii) all Entertainment Contracts;

(iii) all Assets reflected as Assets of Entertainment and its Subsidiaries in the Entertainment Balance Sheet, other than any dispositions of such Assets subsequent to the date of the Entertainment Balance Sheet; and

(iv) any and all Assets owned or held immediately prior to the Effective Date by CCU or any of its Subsidiaries that are used exclusively in the Entertainment Business. The intention of this clause (iv) is only to rectify any inadvertent omission of transfer or conveyance of any Asset that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as an Entertainment Asset.

(b) Notwithstanding the foregoing, the Entertainment Assets shall not in any event include the Excluded Assets. For purposes of this Agreement, "Excluded Assets" shall mean Assets not used exclusively in the Entertainment Business and any and all other Assets that are expressly contemplated by this Agreement or any Transaction Document as either Assets to be retained by CCU or any other member of the CCU Group, or Assets that are to be transferred by Entertainment or any other member of the Entertainment Group to CCU or a designated member of the CCU Group.

2.3 Entertainment Liabilities.

(a) Subject to Section 2.3(b), for purposes of this Agreement, "Entertainment Liabilities" shall mean (without duplication):

(i) the Liabilities listed or described on Schedule 2.3(a)(i) and all other Liabilities that are expressly provided by this Agreement or any Transaction Document as Liabilities to be assumed by Entertainment or any other member of the Entertainment Group, and all agreements, obligations and Liabilities of Entertainment or any other member of the Entertainment Group under this Agreement or any of the Transaction Documents;

(ii) all Liabilities, including any employee-related Liabilities relating to, arising out of or resulting from:

(A) the operation of the Entertainment Business, as conducted at any time before, on or after the Effective Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(B) the operation of any business conducted by any member of the Entertainment Group at any time after the Effective Date (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority)); or

(C) any Entertainment Assets (including any Entertainment Contracts and any real property and leasehold interests), in any such case whether arising before, on or after the Effective Date;

(iii) all Liabilities reflected as liabilities or obligations of Entertainment or its Subsidiaries in the Entertainment Balance Sheet;

(iv) all Liabilities related to Assumed Actions and Existing Actions, as further provided in Section 7.3;

(v) all Liabilities related to any and all other Actions initiated on or after the Distribution Date that arise out of or relate in any material respect to the operation of the Entertainment Business or the ownership or use of the Entertainment Assets, in any such case whether such Action arises before, on or after the Distribution Date, including any such Action

in which CCU or any member of the CCU Group is named as a defendant or party subject to any claim or investigation;

(vi) all Liabilities for any payments to be made by any member of the CCU Group or any member of the Entertainment Group pursuant to the terms and conditions of purchase agreements relating to the acquisition of Entertainment Assets, including, without limitation, purchase price installment payments based on the financial performance of the acquired Entertainment Asset subsequent to the acquisition; and

(vii) all Liabilities arising out of claims made by CCU's or Entertainment's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the CCU Group or the Entertainment Group with respect to the Entertainment Business.

(b) Notwithstanding the foregoing, the Entertainment Liabilities shall not in any event include the Excluded Liabilities. For purposes of this Agreement, "Excluded Liabilities" shall mean (without duplication):

(i) any and all Liabilities that are expressly contemplated by this Agreement or any Transaction Document as Liabilities to be retained or assumed by CCU or any other member of the CCU Group (in each case other than Delayed Transfer Liabilities), and all agreements and obligations of any member of the CCU Group under this Agreement or any of the Transaction Documents;

(ii) any and all Liabilities of a member of the CCU Group relating solely to, arising solely out of or resulting solely from any Excluded Assets;

(iii) the Liabilities listed on Schedule 2.3(b)(iii); and

(iv) any and all liabilities arising from a knowing violation of Law, fraud or misrepresentation by any member of the CCU Group or any of their respective directors, officers, employees or agents (other than any individual who at the time of such act was acting in his or her capacity as a director, officer, employee or agent of any member of the Entertainment Group).

2.4 Termination of Agreements.

(a) Except as set forth in Section 2.4(b), Entertainment and each other member of the Entertainment Group, on the one hand, and CCU and each other member of the CCU Group, on the other hand, hereby terminate any and all agreements, arrangements, commitments or understandings, whether or not in writing, between or among Entertainment or any other member of the Entertainment Group, on the one hand, and CCU or any other member of the CCU Group, on the other hand, effective as of the Effective Date. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Date. Each party shall, at the reasonable request of any other party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.4(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof):

(i) this Agreement and the Transaction Documents (and each other agreement or instrument expressly contemplated by this Agreement or any Transaction Document to be entered into or continued by either of the parties or any of the members of their respective Groups);

(ii) except to the extent redundant with any provision of or service provided under this Agreement or any of the Transaction Documents (including any exhibits or schedules thereto), the agreements, arrangements, commitments and understandings listed or described on Schedule 2.4(b)(ii);

(iii) any agreements, arrangements, commitments or understandings to which any Person other than the parties and their respective Affiliates is a party (it being understood that to the extent that the rights and obligations of the parties and the members of their respective Groups under any such agreements, arrangements, commitments or understandings constitute Entertainment Assets or Entertainment Liabilities, they shall be assigned pursuant to Section 2.1);

(iv) any accounts or notes payable or accounts or notes receivable between a member of the CCU Group, on the one hand, and a member of the Entertainment Group, on the other hand, accrued as of the Effective Date and reflected in the books and records of the parties or otherwise documented in accordance with past practices;

(v) any agreements, arrangements, commitments or understandings to which any non-wholly-owned Subsidiary of CCU or Entertainment, as the case may be, is a party; and

(vi) any other agreements, arrangements, commitments or understandings that this Agreement or any Transaction Document expressly contemplates shall survive the Effective Date.

2.5 Governmental Approvals and Consents; Delayed Transfer Assets and Liabilities.

(a) To the extent that the Contribution requires any Governmental Approvals or Consents, the parties will use commercially reasonable efforts to obtain such Governmental Approvals and Consents; provided, however, that neither CCU nor Entertainment shall be obligated to contribute capital in any form to any entity in order to obtain such Governmental Approvals and Consents.

(b) If and to the extent that the valid, complete and perfected contribution, transfer or assignment to the Entertainment Group of any Entertainment Assets or the assumption by the Entertainment Group of any Entertainment Liabilities would be a violation of applicable Law or require any Consent or Governmental Approval in connection with the Contribution or the Distribution, then, unless the parties mutually shall otherwise determine, the contribution, transfer or assignment to the Entertainment Group of such Entertainment Assets or the assumption by the Entertainment Group of such Entertainment Liabilities shall be automatically

deemed deferred and any such purported contribution, transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Consents or Governmental Approvals have been obtained. If and when the Consents and Governmental Approvals are obtained, the contribution, transfer or assignment of the applicable Entertainment Asset or Entertainment Liability shall be effected in accordance with the terms of this Agreement and/or the applicable Transfer Document. Any such Liability shall be deemed a Delayed Transfer Liability. Any such Asset shall be deemed a Delayed Transfer Asset and notwithstanding the foregoing, an Entertainment Asset for purposes of determining whether any Liability is an Entertainment Liability.

(c) If any contribution, transfer or assignment of any Entertainment Asset intended to be contributed, transferred or assigned hereunder or any assumption of any Entertainment Liability intended to be assumed by the Entertainment Group hereunder is not consummated on the Effective Date for any reason, then, insofar as reasonably possible, (i) the member of the CCU Group retaining such Entertainment Asset shall thereafter hold such Entertainment Asset for the use and benefit of the member of the Entertainment Group entitled thereto (at the expense of the member of the Entertainment Group entitled thereto) and (ii) Entertainment shall, or shall cause the applicable member of the Entertainment Group to, pay or reimburse the member of the CCU Group retaining such Entertainment Liability for all amounts paid or incurred in connection with such Entertainment Liability. In addition, the member of the CCU Group retaining such Entertainment Asset shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Entertainment Asset in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the Entertainment Group member to whom such Entertainment Asset is to be transferred in order to place such Entertainment Group member in the same position as if such Entertainment Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Entertainment Asset, including possession, use, risk of loss, potential for gain, and dominion, control and command over such Entertainment Asset, is to inure from and after the Effective Date to the Entertainment Group.

(d) The Person retaining an Entertainment Asset or Entertainment Liability due to the deferral of the transfer of such Entertainment Asset or the deferral of the assumption of such Entertainment Liability shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by the Person entitled to the Entertainment Asset or the Person intended to be subject to the Entertainment Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Person entitled to such Entertainment Asset or the Person intended to be subject to the Entertainment Liability.

2.6 Novation of Assumed Entertainment Liabilities.

(a) Each of CCU and Entertainment, at the request of the other, shall use commercially reasonable efforts to obtain, or to cause to be obtained, any Consent, substitution or amendment required to novate or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute Entertainment Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements (other than any member of the Entertainment Group), so that, in any such case, Entertainment and the other

members of the Entertainment Group will be solely responsible for such Entertainment Liabilities; provided, however, that neither the CCU Group nor the Entertainment Group shall be obligated to pay any consideration or assume any additional obligation therefor to any third party from whom any such Consent, substitution or amendment is requested.

(b) If CCU or Entertainment is unable to obtain, or to cause to be obtained, any such required Consent, release, substitution or amendment, the applicable member of the CCU Group shall continue to be bound by such agreement, lease, license or other obligation that constitutes an Entertainment Liability and, unless not permitted by Law or the terms thereof, as agent or subcontractor for such member of the CCU Group, Entertainment shall, or shall cause a member of the Entertainment Group to, pay, perform and discharge fully all the obligations or other Liabilities of members of the CCU Group thereunder that constitute Entertainment Liabilities from and after the Effective Date. Entertainment shall indemnify each CCU Indemnified Party, and hold each of them harmless against any Liabilities arising in connection therewith; provided that Entertainment shall have no obligation to indemnify any CCU Indemnified Party with respect to any matter to the extent that such CCU Indemnified Party has engaged in any knowing violation of Law, fraud or misrepresentation in connection therewith. CCU shall, without further consideration, promptly pay and remit, or cause to be promptly paid or remitted, to Entertainment, all money, rights and other consideration received by it or any member of the CCU Group in respect of such performance (unless any such consideration is an Excluded Asset). If and when any such Consent, release, substitution or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or able to be novated, CCU shall thereafter assign, or cause to be assigned, all rights and obligations of any member of the CCU Group thereunder and any other Entertainment Liabilities thereunder to Entertainment or a designated member of the Entertainment Group, without payment of further consideration and Entertainment, or a designated member of the Entertainment Group, shall, without the payment of any further consideration, assume such Entertainment Liabilities and rights.

2.7 Novation of Liabilities other than Entertainment Liabilities.

(a) Each of CCU and Entertainment, at the request of the other, shall use commercially reasonable efforts to obtain, or to cause to be obtained, any Consent, substitution or amendment required to novate or assign all obligations under agreements, leases, licenses and other obligations or Liabilities for which a member of the CCU Group and a member of the Entertainment Group are jointly or severally liable and that do not constitute Entertainment Liabilities, or to obtain in writing the unconditional release of all parties to such arrangements (other than any member of the CCU Group), so that, in any such case, the members of the CCU Group will be solely responsible for such Liabilities; provided, however, that neither the CCU Group nor the Entertainment Group shall be obligated to pay any consideration or assume any additional obligation therefor to any third party from whom any such Consent, substitution or amendment is requested.

(b) If CCU or Entertainment is unable to obtain, or to cause to be obtained, any such required Consent, release, substitution or amendment, the applicable member of the Entertainment Group shall continue to be bound by such agreement, lease, license or other obligation that does not constitute an Entertainment Liability and, unless not permitted by Law

or the terms thereof, as agent or subcontractor for such member of the Entertainment Group, CCU shall, or shall cause a member of the CCU Group to, pay, perform and discharge fully all the obligations or other Liabilities of such member of the Entertainment Group thereunder from and after the Effective Date. CCU shall indemnify each Entertainment Indemnified Party and hold each of them harmless against any Liabilities (other than Entertainment Liabilities) arising in connection therewith; provided that CCU shall have no obligation to indemnify any Entertainment Indemnified Party with respect to any matter to the extent that such Entertainment Indemnified Party has engaged in any knowing violation of Law, fraud or misrepresentation in connection therewith. Entertainment shall, without further consideration, promptly pay and remit, or cause to be promptly paid or remitted, to CCU or to another member of the CCU Group specified by CCU, all money, rights and other consideration received by it or any member of the Entertainment Group in respect of such performance (unless any such consideration is an Entertainment Asset). If and when any such Consent, release, substitution or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or able to be novated, Entertainment shall promptly assign, or cause to be assigned, all rights, obligations and other Liabilities thereunder of any member of the Entertainment Group to CCU or to another member of the CCU Group specified by CCU, without payment of any further consideration and CCU, or another member of the CCU Group, without the payment of any further consideration, shall assume such rights and Liabilities.

2.8 Transfers of Assets and Assumption of Liabilities.

In furtherance of the contribution, assignment, transfer and conveyance of Entertainment Assets and the assumption of Entertainment Liabilities, on or before the Effective Date, (a) CCU shall execute and deliver, and shall cause the other members of the CCU Group to execute and deliver, such stock powers, merger certificates, bills of sale, certificates of title, assignments of contracts and other instruments of contribution, transfer, conveyance and assignment as and to the extent necessary to evidence the contribution, merger, transfer, conveyance and assignment of all of the CCU Group's right, title and interest in and to the Entertainment Assets to the Entertainment Group, and (b) Entertainment shall execute and deliver, and shall cause the other members of the Entertainment Group to execute and deliver, such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Entertainment Liabilities by the Entertainment Group. All of the foregoing documents contemplated by this Section 2.8 shall be referred to collectively herein as the "CCU Transfer Documents."

2.9 Transfer of Excluded Assets by Entertainment; Assumption of Excluded Liabilities by CCU.

(a) To the extent any Excluded Asset or Excluded Liability is transferred to a member of the Entertainment Group in the Contribution or remains owned or held by a member of the Entertainment Group after the Contribution, from and after the Effective Date:

(i) Entertainment shall, and shall cause the other members of the Entertainment Group to, promptly contribute, assign, transfer, convey and deliver to CCU, or designated CCU Group members, and CCU or such CCU Group members shall accept from

Entertainment and its applicable Group members, all of Entertainment's and such Group members' respective rights, titles and interests in and to such Excluded Assets.

(ii) CCU and certain CCU Group members designated by CCU, shall promptly accept, assume and agree to perform, discharge and fulfill all such Excluded Liabilities in accordance with their respective terms.

(iii) In furtherance of the assignment, transfer and conveyance of Excluded Assets and the assumption of Excluded Liabilities: (A) Entertainment shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of Entertainment's and its Subsidiaries' right, title and interest in and to the Excluded Assets to CCU and its Subsidiaries, and (B) CCU shall execute and deliver such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Excluded Liabilities by CCU. All of the foregoing documents contemplated by this Section 2.9(a)(iii) shall be referred to collectively herein as the "Entertainment Transfer Documents" and, together with the CCU Transfer Documents, the "Transfer Documents."

(iv) To the extent that the transfer of such Excluded Assets and the assumption of such Excluded Liabilities requires any Governmental Approvals or Consents, the parties shall use commercially reasonable efforts to obtain such Governmental Approvals and Consents; provided, however, that neither CCU nor Entertainment shall be obligated to contribute capital in any form to, or assume any additional obligation of, any entity in order to obtain such Governmental Approvals and Consents.

(v) If and to the extent that the valid, complete and perfected transfer or assignment to the CCU Group of any Excluded Assets or the assumption by the CCU Group of any Excluded Liabilities would be a violation of applicable Law or require any Consent or Governmental Approval, then, unless the parties mutually shall otherwise determine, the transfer or assignment to the CCU Group of such Excluded Assets or the assumption by the CCU Group of such Excluded Liabilities shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Consents or Governmental Approvals have been obtained.

(b) If any transfer or assignment of any Excluded Asset intended to be transferred or assigned hereunder or any assumption of any Excluded Liability intended to be assumed by CCU hereunder is not consummated on the Effective Date, whether as a result of the failure to obtain any required Governmental Approvals or Consents or any other reason, then, insofar as reasonably possible, (i) the member of the Entertainment Group retaining such Excluded Asset shall thereafter hold such Excluded Asset for the use and benefit of CCU (at CCU's expense) and (ii) CCU shall, or shall cause its applicable Group member to, pay or reimburse the member of the Entertainment Group retaining such Excluded Liability for all amounts paid or incurred in connection with such Excluded Liability. In addition, the member of the Entertainment Group retaining such Excluded Asset shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Excluded Asset in the ordinary course of business in accordance with

past practice and take such other actions as may be reasonably requested by CCU in order to place CCU in the same position as if such Excluded Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Excluded Asset, including possession, use, risk of loss, potential for gain, and dominion, control and command over such Excluded Asset, is to inure from and after the Effective Date to the CCU Group.

(c) If and when the Consents and Governmental Approvals, the absence of which caused the deferral of transfer of any Excluded Asset or the deferral of assumption of any Excluded Liability, are obtained, the transfer or assignment of the applicable Excluded Asset or Excluded Liability shall be effected in accordance with the terms of this Agreement and/or the applicable Transfer Document.

(d) Any member of the Entertainment Group retaining an Excluded Asset or Excluded Liability due to the deferral of the transfer of such Excluded Asset or the deferral of the assumption of such Excluded Liability shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by CCU or the member of the CCU Group intended to be subject to the Excluded Liability, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by CCU or the member of the CCU Group entitled to such Excluded Asset or intended to be subject to such Excluded Liability.

(e) Pursuant to and in accordance with this Section 2.9, the Excluded Liabilities relating to the businesses or the support of the businesses of the members of the CCU Group listed on Schedule 2.3(b)(iii) are to be transferred to CCU or its designated Group member on the Effective Date.

2.10 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

EACH OF CCU (ON BEHALF OF ITSELF AND EACH MEMBER OF THE CCU GROUP) AND ENTERTAINMENT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE ENTERTAINMENT GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY TRANSACTION DOCUMENT, NO PARTY TO THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY TRANSACTION DOCUMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY CONTRIBUTION, ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY TRANSACTION DOCUMENT,

ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
CERTAIN ACTIONS AT OR PRIOR TO THE DISTRIBUTION

3.1 Time and Place of Distribution.

Subject to the terms and conditions of this Agreement, the Distribution shall be consummated at such place and at such time as CCU designates (the day on which the Distribution takes place being the "Distribution Date").

3.2 Pre-Distribution Transactions.

(a) On or prior to the Distribution Date, the Contribution shall be effected in accordance with this Agreement.

(b) On or prior to the Distribution Date, the appropriate parties shall enter into, and (as necessary) shall cause their respective Subsidiaries to enter into, the agreements set forth below (collectively with the Transfer Documents and the documents and agreements referenced therein, the "Transaction Documents"):

(i) the Transition Services Agreement in the form attached as Exhibit A (the "Transition Services Agreement");

(ii) the Tax Matters Agreement in the form attached as Exhibit B (the "Tax Matters Agreement");

(iii) the Employee Matters Agreement in the form attached as Exhibit C (the "Employee Matters Agreement"); and

(iv) the Trademark and Copyright License Agreement in the form attached as Exhibit D (the "Trademark License Agreement").

3.3 Related Transactions.

Prior to the Distribution Date, CCU shall consummate the Capital Contribution. Following the Capital Contribution and prior to the Distribution Date, Entertainment shall, and shall cause the applicable members of the Entertainment Group to, consummate the Series A Preferred Stock Issuance and the Series B Preferred Stock Issuance. Following the Capital Contribution and on or prior to the Distribution Date, Entertainment shall, and shall cause the applicable members of the Entertainment Group to, enter into the Credit Facility and related

agreements, and Entertainment shall borrow $325 million under the Credit Facility. Upon the Entertainment Group's receipt of the net cash proceeds of such borrowing and the Series A Preferred Stock Issuance, and on or prior to the Distribution Date, Entertainment shall repay, or cause the appropriate members of the Entertainment Group to repay, the remaining balance of the Intercompany Debt outstanding following the Capital Contribution, which will be approximately $220 million.

3.4 Certificate of Incorporation, Bylaws and Rights Plan.

At or prior to the Distribution, CCU and Entertainment shall each take all necessary actions that may be required to provide for the adoption by Entertainment of the Amended and Restated Certificate of Incorporation of Entertainment in the form attached hereto as Exhibit E (the "Charter"), the Amended and Restated Bylaws of Entertainment in the form attached hereto as Exhibit F (the "Bylaws"), and the rights agreement in the form attached hereto as Exhibit G (the "Rights Agreement").

3.5 Election of Entertainment Board of Directors.

Prior to the Distribution, CCU agrees to vote all shares of Entertainment Common Stock held by it in favor of the nominees to the Board of Directors of Entertainment, as set forth on Schedule 3.5.

ARTICLE IV
THE DISTRIBUTION

4.1 Sole Discretion of CCU.

CCU shall, in its sole and absolute discretion, determine the Distribution Date and all terms of the Distribution, including, without limitation, the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, CCU may at any time and from time to time until the completion of the Distribution decide to abandon the Distribution or modify or change the terms of the Distribution, including, without limitation, by accelerating or delaying the timing of the consummation of all or part of the Distribution.

4.2 The Distribution.

(a) Entertainment shall cooperate with CCU to accomplish the Distribution and shall, at CCU's direction, promptly take any and all commercially reasonable actions to effect the Distribution. CCU may select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for CCU; provided that nothing herein shall prohibit Entertainment from engaging (at its own expense) its own financial, legal, accounting and other advisors in connection with the Distribution. Entertainment and CCU, as the case may be, will provide to the distribution or exchange agent to be appointed by CCU (the "Distribution Agent"), all share certificates and any information required in order to complete the Distribution.

(b) Subject to Sections 4.1, 4.4 and 4.5, each holder of CCU Common Stock on the Record Date (or such holder's designated transferee or transferees) will be entitled to receive in the Distribution one share of Entertainment Common Stock for every eight shares of CCU Common Stock held by such stockholder. No action will be necessary for any shareholder of CCU to receive Entertainment Common Stock in the Distribution. Entertainment will issue to CCU the number of shares of Entertainment Common Stock required so that the total number of shares of Entertainment Common Stock held by CCU immediately prior to the Distribution is equal to the total number of shares of Entertainment Common Stock distributable in the Distribution. Subject to Sections 4.1, 4.4, and 4.5 on or prior to the Distribution Date, CCU will deliver to the Distribution Agent for the benefit of holders of CCU Common Stock on the Record Date, stock certificates, endorsed by CCU in blank, representing all of the outstanding shares of Entertainment Common Stock then owned by CCU. CCU will cause the transfer agent for the CCU Common Stock to credit the appropriate number of such shares of Entertainment Common Stock to book entry accounts for each such holder or designated transferee or transferees of such holder of CCU Common Stock. For shareholders of CCU who own CCU Common Stock through a broker or other nominee, their shares of Entertainment Common Stock will be credited to their respective accounts by such broker or nominee. The Distribution shall be effective at 11:59 p.m. Eastern Standard Time on the Distribution Date.

4.3 Actions in Connection with the Distribution.

(a) Entertainment shall file such amendments and supplements to the Form 10 as CCU may reasonably request, and such amendments as may be necessary in order to cause the same to become and remain effective as required by Law, including filing such amendments and supplements to the Form 10 as may be required by the SEC or federal, state or foreign securities Laws. Entertainment shall mail to the holders of CCU Common Stock, at such time on or prior to the Distribution Date as CCU shall determine, the information statement included in the Form 10, as well as any other information concerning Entertainment, its business, operations and management, the Contribution, the Distribution and such other matters as CCU shall reasonably determine are necessary and as may be required by Law.

(b) CCU and Entertainment shall also cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the Distribution, the Contribution or other transactions contemplated by this Agreement and the Transaction Documents, including the Employee Matters Agreement. Promptly after receiving a request from CCU, to the extent requested, Entertainment shall prepare and, in accordance with applicable Law, file with the SEC any such documentation that CCU determines is necessary or desirable to effectuate the Distribution, and CCU and Entertainment shall each use commercially reasonable efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable.

(c) Promptly after receiving a request from CCU, Entertainment shall take all such actions as may be necessary or appropriate under the state securities or blue sky Laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(d) Promptly after receiving a request from CCU, Entertainment shall prepare and file, and shall use commercially reasonable efforts to have approved and made effective, an application for the original listing of the Entertainment Common Stock to be distributed in the Distribution on the NYSE, subject to official notice of distribution.

(e) Immediately prior to the consummation of the Distribution, except as otherwise set forth on Schedule 4.3(e), (i) each person who is both an officer, director or employee of any member of the CCU Group and an officer, director or employee of any member of the Entertainment Group immediately prior to the Distribution Date (each a "Shared Employee") and who is to continue as an officer, director or employee of any member of the CCU Group after the Distribution Date shall resign from each of such person's positions with each member of the Entertainment Group, and (ii) each such Shared Employee who is to continue as an officer, director or employee of any member of the Entertainment Group after the Distribution Date shall resign from each of such person's positions with each member of the CCU Group.

(f) Entertainment shall take all reasonable steps necessary and appropriate to cause the conditions set forth in Section 4.4 to be satisfied and to effect the Distribution, or any portion thereof, on the Distribution Date.

4.4 Conditions to Distribution.

Subject to Section 4.1, the following are conditions to the consummation of any part of the Distribution. The conditions are for the sole benefit of CCU and shall not give rise to or create any duty on the part of CCU or the CCU board of directors to waive or not waive any such condition.

(a) The Form 10 shall have been declared effective by the SEC, with no stop order in effect with respect thereto, and the information statement shall have been mailed to the holders of CCU Common Stock.

(b) The actions and filings with regard to state securities and blue sky laws of the United States (and any comparable Laws under any foreign jurisdictions) described in Section 4.3(c) shall have been taken and, where applicable, have become effective or been accepted.

(c) The Entertainment Common Stock to be delivered in the Distribution shall have been approved for listing on the NYSE, subject to official notice of distribution.

(d) CCU shall have obtained a private letter ruling from the Internal Revenue Service, in form and substance satisfactory to CCU (in its sole discretion), and such ruling shall remain in effect, substantially to the effect that, among other things, the Distribution will be a reorganization under Sections 355 and 368(a)(1)(D) of the Code.

(e) CCU shall have obtained an opinion from its tax counsel, in form and substance satisfactory to CCU (in its sole discretion), substantially to the effect that, among other things, the Distribution will be a reorganization under Sections 355 and 368(a)(1)(D) of the Code.

(f) CCU shall have obtained a solvency opinion, in form and substance satisfactory to CCU (in its sole discretion), regarding each of the Entertainment Group and the CCU Group after the Distribution.

(g) Any material Governmental Approvals and other Consents necessary to consummate the Distribution or any portion thereof shall have been obtained and be in full force and effect.

(h) No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of all or any portion of the Distribution shall be in effect, and no other event outside the control of CCU shall have occurred or failed to occur that prevents the consummation of all or any portion of the Distribution.

(i) The CCU board of directors shall have approved the Distribution and shall have not determined that any events or developments shall have occurred that make it inadvisable to effect the Distribution.

4.5 Fractional Shares.

CCU shareholders of fewer than eight shares of CCU Common Stock or any multiple thereof, on the Record Date, which would entitle such shareholders to receive less than one whole share of Entertainment Common Stock in the Distribution, will receive cash in lieu of fractional shares. Fractional shares of Entertainment Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. The Distribution Agent shall (a) determine the number of whole shares and fractional shares of Entertainment Common Stock allocable to each holder of record or beneficial owner of CCU Common Stock as of close of business on the Record Date, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then prevailing prices on behalf of holders who would otherwise be entitled to fractional share interests, and (c) distribute to each such holder, or for the benefit of each such beneficial owner, such holder or owner's ratable share of the net proceeds of such sale, based upon the average gross selling price per share of Entertainment Common Stock, after making appropriate deductions for any amount required to be withheld for United States federal income tax purposes. Entertainment shall bear the cost of brokerage fees incurred in connection with these sales of fractional shares, which such sales shall occur as soon after the Distribution Date as practicable and as determined by the Distribution Agent. None of CCU, Entertainment or the Distribution Agent will guarantee any minimum sale price for the fractional shares of Entertainment Common Stock. Neither Entertainment nor CCU will pay any interest on the proceeds from the sale of fractional shares. The Distribution Agent will have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Distribution Agent nor the selected broker-dealers will be affiliates of CCU or Entertainment.

ARTICLE V
FINANCIAL AND OTHER COVENANTS

5.1 Auditors and Audits; Annual Statements and Accounting.

Entertainment agrees that for its 2005 fiscal year and for all fiscal years thereafter for so long as CCU is required to consolidate the results of operations and financial position of Entertainment and any members of the Entertainment Group with the results of operations and financial position of CCU (in accordance with GAAP and consistent with SEC reporting requirements):

(a) Unless required by law or as directed by CCU in accordance with a change by CCU in its accounting firm, Entertainment will not select a different accounting firm than Ernst & Young LLP (or its affiliate accounting firms) to serve as the Entertainment Group's independent certified public accountants (the "Entertainment Auditors"), without CCU's prior written consent (which will not be unreasonably withheld); provided, however, that, to the extent any members of the Entertainment Group are currently using a different accounting firm to serve as their independent certified public accountants, such members of the Entertainment Group may continue to use such accounting firm provided such accounting firm is reasonably satisfactory to CCU.

(b) Entertainment will use commercially reasonable efforts to enable the Entertainment Auditors to complete their audit such that they will be able to date their opinion on Entertainment's audited annual financial statements (the "Entertainment Annual Statements") on the same date that CCU's independent certified public accountants (the "CCU Auditors") date their opinion on CCU's audited annual financial statements (the "CCU Annual Statements"), and to enable CCU to meet its schedule for the printing, filing and public dissemination of the CCU Annual Statements, as required by applicable law.

(c) Entertainment will provide to CCU on a timely basis all information that CCU reasonably requires to meet its schedule for the preparation, printing, filing and public dissemination of the CCU Annual Statements and CCU's financial statements included in its Quarterly Reports on Form 10-Q as required by applicable law. Without limiting the generality of the foregoing, Entertainment will provide all required financial information with respect to the Entertainment Group to the Entertainment Auditors in a sufficient and reasonable time and in sufficient detail to permit the Entertainment Auditors to take all steps and perform all reviews necessary to provide sufficient assistance to the CCU Auditors with respect to information to be included or contained in the CCU Annual Statements.

(d) Entertainment will authorize the Entertainment Auditors to make available to the CCU Auditors the personnel who performed, or are performing, the annual audit of Entertainment as well as the work papers related to the annual audit of Entertainment, in all cases within a reasonable time prior to the date of the Entertainment Auditors' opinion on the Entertainment Annual Financial Statements, so that the CCU Auditors are able to perform the procedures they consider necessary to take responsibility for the work of the Entertainment Auditors as it relates to the CCU Auditors' report on the CCU Annual Statements, all within

sufficient time to enable CCU to meet its schedule for the preparation, printing, filing and public dissemination of the CCU Annual Statements.

(e) If CCU determines in good faith that there may be any inaccuracy in an Entertainment Group member's financial statements or deficiency in an Entertainment Group member's internal accounting controls or operations that could materially impact CCU's financial statements, at CCU's request, Entertainment will provide CCU's internal auditors with access to the Entertainment Group's books and records so that CCU may conduct reasonable audits relating to the financial statements provided by Entertainment under this Agreement as well as to the internal accounting controls and operations of the Entertainment Group.

(f) Entertainment will give CCU as much prior notice as reasonably practicable of any proposed determination of, or any significant changes in, Entertainment's accounting estimates or accounting principles from those in effect on the Distribution Date. Entertainment will consult with CCU and, if requested by CCU, Entertainment will consult with the CCU Auditors with respect thereto.

5.2 Agreement for Exchange of Information; Archives.

(a) Each of CCU and Entertainment, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, at any time before or after the Distribution Date, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities or tax Laws) by a Governmental Authority having jurisdiction over the requesting party, (ii) for use in any other judicial, regulatory, administrative, tax or other proceeding or in order to satisfy audit, accounting, claim, regulatory, litigation, tax or other similar requirements, in each case other than claims or allegations that one party to this Agreement has against the other, or (iii) subject to the foregoing clause (ii), to comply with its obligations under this Agreement or any Transaction Document; provided, however, that in the event that any party reasonably determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any attorney-client privilege, the parties shall take all commercially reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

(b) After the Distribution Date, Entertainment shall have access during regular business hours (as in effect from time to time) to the documents and objects of historic significance that relate to the Entertainment Business that are located in archives retained or maintained by any member of the CCU Group. Entertainment may obtain copies (but not originals unless it is an Entertainment Asset) of documents for bona fide business purposes and may obtain objects for exhibition purposes for commercially reasonable periods of time if required for bona fide business purposes; provided that Entertainment shall cause any such objects to be returned promptly in the same condition in which they were delivered to Entertainment, and Entertainment shall comply with any rules, procedures or other requirements, and shall be subject to any restrictions (including prohibitions on removal of specified objects), that are then applicable to CCU. Entertainment shall pay the applicable fee or rate per hour for archive research services (subject to increase from time to time to reflect rates then in effect for

CCU generally). Nothing herein shall be deemed to restrict the access of any member of the CCU Group to any such documents or objects or to impose any liability on any member of the CCU Group if any such documents or objects are not maintained or preserved by CCU.

(c) After the Distribution Date, CCU shall have access during regular business hours (as in effect from time to time) to the documents and objects of historic significance that relate to the businesses of any member of the CCU Group that are located in archives retained or maintained by any member of the Entertainment Group. CCU may obtain copies (but not originals unless it is not an Entertainment Asset) of documents for bona fide business purposes and may obtain objects for exhibition purposes for commercially reasonable periods of time if required for bona fide business purposes; provided that CCU shall cause any such objects to be returned promptly in the same condition in which they were delivered to CCU, and CCU shall comply with any rules, procedures or other requirements, and shall be subject to any restrictions (including prohibitions on removal of specified objects), that are then applicable to Entertainment. CCU shall pay the applicable fee or rate per hour for archive research services (subject to increase from time to time to reflect rates then in effect for Entertainment generally). Nothing herein shall be deemed to restrict the access of any member of the Entertainment Group to any such documents or objects or to impose any liability on any member of the Entertainment Group if any such documents or objects are not maintained or preserved by Entertainment.

(d) After the Distribution Date, each of CCU and Entertainment, on behalf of their respective Groups, will maintain in effect, at its own cost and expense, adequate systems and internal controls for its business, to the extent necessary to enable members of the other Group to satisfy their respective reporting, accounting, audit and other obligations.

5.3 Ownership of Information.

Any Information owned by a member of a Group that is provided to a requesting party pursuant to Section 5.2 shall be deemed to remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

5.4 Compensation for Providing Information.

The party requesting Information agrees to reimburse the party providing Information for the reasonable out-of-pocket costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting party. Except as may be otherwise specifically provided elsewhere in this Agreement, the Transaction Documents or in any other agreement between the parties, such costs shall be computed in accordance with the providing party's standard methodology and procedures.

5.5 Record Retention.

To facilitate the possible exchange of Information pursuant to this Article V and other provisions of this Agreement and the Transaction Documents, after the Distribution Date, the parties agree to use commercially reasonable efforts to retain all Information in their respective possession or control in accordance with the policies of CCU as in effect on the Distribution Date or such other policies as may be reasonably adopted by the appropriate party after the

Distribution Date. No party will destroy, or permit any of its Subsidiaries to destroy, any Information which the other party may have the right to obtain pursuant to this Agreement prior to the seventh anniversary of the date hereof without first notifying the other party of the proposed destruction and giving the other party the opportunity to take possession of such Information prior to such destruction; provided, however, that in the case of any Information relating to Taxes or employee benefits, such period shall be extended to the expiration of the applicable statute of limitations (giving effect to any extensions thereof); provided, further, however, no party will destroy, or permit any of its Subsidiaries to destroy, any Information required to be retained by applicable Law.

5.6 Liability.

No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the party providing such Information. No party shall have any liability to any other party if any Information is destroyed after commercially reasonable efforts by such party to comply with the provisions of Section 5.5.

5.7 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article V are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any Transaction Document.

(b) When any Information provided by one Group to the other Group (other than Information provided pursuant to Section 5.5) is no longer needed for the purposes contemplated by this Agreement or any other Transaction Document or is no longer required to be retained by applicable Law, the receiving party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

5.8 Production of Witnesses; Records; Cooperation.

(a) After the Distribution Date, except in the case of an adversarial Action by one or more members of one Group against one or more members of the other Group, each party hereto shall use commercially reasonable efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action or IP Application in which the requesting party may from time to time be involved, regardless of whether such Action or IP Application is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the parties shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or the prosecution, evaluation or pursuit thereof, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions, except in the case of an adversarial Action by one or more members of one Group against one or more members of the other Group.

(d) Without limiting any provision of this Section 5.8, each of the parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any intellectual property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any intellectual property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim, except as required by Law.

(e) The obligation of the parties to provide witnesses pursuant to this Section 5.8 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 5.8(a)).

(f) In connection with any matter contemplated by this Section 5.8, the parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege, work product immunity or other applicable privileges or immunities of any member of any Group.

5.9 Privilege.

The provision of any information pursuant to this Article V shall not be deemed a waiver of any privilege, including privileges arising under or related to the attorney-client privilege or any other applicable privileges (a "Privilege"). Following the Distribution Date, neither Entertainment or its Subsidiaries nor CCU or its Subsidiaries will be required to provide any information pursuant to this Article V if the provision of such information would serve as a waiver of any Privilege afforded such information.

ARTICLE VI
RELEASE; INDEMNIFICATION

6.1 Release of Pre-Distribution Claims.

(a) Except (i) as provided in Section 6.1(c), (ii) as may be provided in any Transaction Document and (iii) for any matter for which an Entertainment Indemnified Party is entitled to indemnification or contribution pursuant to Sections 6.3 or 6.4, effective as of the Distribution Date, Entertainment, for itself and each other member of the Entertainment Group, their respective Affiliates and all Persons who at any time prior to the Distribution Date were directors, officers, agents or employees of any member of the Entertainment Group (in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns, does hereby remise, release and forever discharge CCU and the other members of the CCU Group, their respective Affiliates and all Persons who at any time prior to the Distribution Date were shareholders, directors, officers, agents or employees of any member of the CCU Group (in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, including in connection with the transactions and all other activities to implement the Contribution, the Distribution and any of the other transactions contemplated hereunder and under the Transaction Documents.

(b) Except (i) as provided in Section 6.1(c), (ii) as may be provided in any Transaction Document and (iii) for any matter for which a CCU Indemnified Party is entitled to indemnification or contribution pursuant to Sections 6.2 or 6.4, effective as of the Distribution Date, CCU, for itself and each other member of the CCU Group, their respective Affiliates and all Persons who at any time prior to the Distribution Date were shareholders, directors, officers, agents or employees of any member of the CCU Group (in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns, does hereby remise, release and forever discharge Entertainment and the other members of the Entertainment Group, their respective Affiliates and all Persons who at any time prior to the Distribution Date were stockholders, directors, officers, agents or employees of any member of the Entertainment Group (in their respective capacities as such), in each case, together with their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date, including in connection with the transactions and all other activities to implement the Contribution, the Distribution and any of the other transactions contemplated hereunder and under the Transaction Documents.

(c) Nothing contained in Section 6.1(a) or Section 6.1(b) shall impair any right of any Person to enforce this Agreement, any Transaction Document or any agreements, arrangements,

commitments or understandings to continue in effect after the Distribution Date in accordance with Section 2.4(b), in each case in accordance with its terms. Nothing contained in Section 6.1(a) or Section 6.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the CCU Group or the Entertainment Group that is to continue in effect after the Distribution Date in accordance with Section 2.4(b), or any other Liability specified in such Section 2.4(b) not to terminate as of the Distribution Date;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of such Group under, this Agreement or any Transaction Document;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Distribution Date;

(iv) any Liability for unpaid amounts for products or services or refunds owing on products or services due on a value-received basis for work done by a member of one Group at the request or on behalf of a member of the other Group; or

(v) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or otherwise for claims brought against the parties by third Persons, which Liability shall be governed by the provisions of this Article VI and, if applicable, the appropriate provisions of the Transaction Documents.

In addition, nothing contained in Section 6.1(a) shall release CCU from indemnifying any director, officer or employee of Entertainment who was a director, officer or employee of CCU or any of its Affiliates on or prior to the Distribution Date, to the extent such director, officer or employee is or becomes a named defendant in any Action with respect to which he or she was entitled to such indemnification pursuant to then existing obligations.

(d) Entertainment shall not make, and shall not permit any member of the Entertainment Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against CCU or any member of the CCU Group, or any other Person released pursuant to Section 6.1(a), with respect to any Liabilities released pursuant to Section 6.1(a). CCU shall not, and shall not permit any member of the CCU Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Entertainment or any member of the Entertainment Group, or any other Person released pursuant to Section 6.1(b), with respect to any Liabilities released pursuant to Section 6.1(b).

(e) It is the intent of each of CCU and Entertainment, by virtue of the provisions of this Section 6.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Date, whether known or unknown, between or among Entertainment or any member of the Entertainment Group, on the one hand, and CCU or any member of the CCU Group, on

the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Distribution Date), except as expressly set forth in Sections 6.1 (a), (b) and (c). At any time, at the request of any other party, each party shall cause each member of its respective Group and each other Person on whose behalf it released Liabilities pursuant to this Section 6.1 to execute and deliver releases reflecting the provisions hereof.

6.2 General Indemnification by Entertainment.

Except as provided in Section 6.5, Entertainment shall, and shall cause the other members of the Entertainment Group to, jointly and severally, indemnify, defend and hold harmless on an After-Tax Basis each member of the CCU Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "CCU Indemnified Parties"), from and against any and all Liabilities of the CCU Indemnified Parties relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of Entertainment or any other member of the Entertainment Group or any other Person to pay, perform or otherwise promptly discharge any Entertainment Liabilities or Entertainment Contract in accordance with its respective terms, whether prior to or after the Effective Date;

(b) any Entertainment Liability or any Entertainment Contract;

(c) except to the extent it relates to an Excluded Liability, any guarantee, indemnification obligation, surety bond or other credit support agreement, arrangement, commitment or understanding by any member of the CCU Group for the benefit of any member of the Entertainment Group that survives the Distribution;

(d) any breach by any member of the Entertainment Group of this Agreement or any of the Transaction Documents or any action by Entertainment in contravention of the Charter or Bylaws;

(e) any untrue statement or alleged untrue statement of a material fact contained in any document filed with the SEC by any member of the CCU Group pursuant to the Securities Act or the Exchange Act, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that those Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information that is either furnished to any member of the CCU Group by any member of the Entertainment Group or incorporated by reference by any member of the CCU Group from any filings made by any member of the Entertainment Group with the SEC pursuant to the Securities Act or the Exchange Act, and then only if that statement or omission was made or occurred after the Distribution Date; and

(f) any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Form 10 filed by Entertainment or in any offering memorandum, registration statement or information statement relating to the Credit Facility or in

any other documents filed with the SEC in connection with the Distribution or the other Transactions, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case, except to the extent that those Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information that is furnished to any member of the Entertainment Group by any member of the CCU Group expressly for use in the Form 10 or in any such offering memorandum, registration statement or information statement, all of which statements that have been furnished by the CCU Group being set forth on Schedule 6.2.

6.3 General Indemnification by CCU.

Except as provided in Section 6.5, CCU shall indemnify, defend and hold harmless on an After-Tax Basis each member of the Entertainment Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Entertainment Indemnified Parties"), from and against any and all Liabilities of the Entertainment Indemnified Parties relating to, arising out of or resulting from any of the following items (without duplication):

(a) the failure of any member of the CCU Group or any other Person to pay, perform or otherwise promptly discharge any Liabilities of the CCU Group other than the Entertainment Liabilities, whether prior to or after the Effective Date;

(b) any Excluded Liability or any Liability of a member of the CCU Group other than the Entertainment Liabilities;

(c) any breach by any member of the CCU Group of this Agreement or any of the Transaction Documents;

(d) any untrue statement or alleged untrue statement of a material fact contained in any document filed with the SEC by any member of the Entertainment Group pursuant to the Securities Act or the Exchange Act, other than such statements, facts or information in, or incorporated by reference in, the Form 10 filed by Entertainment or any offering memorandum, registration statement or information statement related to the Credit Facility or in any other documents filed with the SEC in connection with the Distribution or the other Transactions, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that those Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information that is either furnished to any member of the Entertainment Group by any member of the CCU Group or incorporated by reference by any member of the Entertainment Group from any filings made by any member of the CCU Group with the SEC pursuant to the Securities Act or the Exchange Act, and then only if that statement or omission was made or occurred after the Distribution Date; and

(e) any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Form 10 filed by Entertainment or any offering memorandum,

registration statement or information statement relating to the Credit Facility or in any other documents filed with the SEC in connection with the Distribution or other Transactions contemplated in this Agreement, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that those Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information that is furnished to any member of the Entertainment Group by any member of the CCU Group expressly for use in the Form 10 or in any such offering memorandum, registration statement or information statement, all of which statements that have been furnished by the CCU Group being set forth on Schedule 6.2.

6.4 Contribution.

(a) If the indemnification provided for in this Article VI is unavailable to, or insufficient to hold harmless on an After-Tax Basis, an Indemnified Party under Sections 6.2(e) or (f) or Sections 6.3(d) or (e) in respect of any Liabilities referred to therein, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the Indemnified Party in connection with the actions or omissions that resulted in Liabilities as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(b) The parties agree that it would not be just and equitable if contribution pursuant to this Section 6.4 were determined by a pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 6.4(a). The amount paid or payable by an Indemnified Party as a result of the Liabilities referred to in Section 6.4(a) shall be deemed to include, subject to the limitations set forth above, any legal or other fees or expenses reasonably incurred by such Indemnified Party in connection with investigating any claim or defending any Action. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

6.5 Indemnification Obligations Net of Insurance Proceeds and Other Amounts on an After-Tax Basis.

(a) Any Liability subject to indemnification or contribution pursuant to this Article VI will be net of Insurance Proceeds that actually reduce the amount of the Liability and will be determined on an After-Tax Basis. Accordingly, the amount which any Person is required to pay pursuant to this Article VI (an "Indemnifying Party") to any Person entitled to indemnification or contribution pursuant to this Article VI (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an

"Indemnity Payment") and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds had been received, realized or recovered before the Indemnity Payment was made.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification and contributions provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks contribution or indemnification pursuant to this Article VI; provided that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) The term "After-Tax Basis" as used in this Article VI means that, in determining the amount of the payment necessary to indemnify any party against, or reimburse any party for, Liabilities, the amount of such Liabilities will be determined net of any reduction in Tax derived by the Indemnified Party as the result of sustaining or paying such Liabilities, and the amount of such Indemnity Payment will be increased (*i.e*., "grossed up") by the amount necessary to satisfy any income or franchise Tax liabilities incurred by the Indemnified Party as a result of its receipt of, or right to receive, such Indemnity Payment (as so increased), so that the Indemnified Party is put in the same net after-Tax economic position as if it had not incurred such Liabilities, in each case without taking into account any impact on the tax basis that an Indemnified Party has in its assets.

6.6 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the CCU Group or the Entertainment Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnified Party pursuant to Section 6.2 or Section 6.3, or any other Section of this Agreement or any Transaction Document, such Indemnified Party shall give such Indemnifying Party written notice thereof within 20 days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail. Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice as provided in this Section 6.6(a) shall not relieve the Indemnifying Party of its obligations under this Article VI, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect to defend (and to seek to settle or compromise), at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim. Within 30 days after receipt of notice from an Indemnified Party in accordance with Section 6.6(a) (or sooner, if the nature of such Third Party Claim so requires), an Indemnifying Party electing to defend a Third Party Claim shall notify the Indemnified Party

of its election to assume responsibility for defending such Third Party Claim and shall agree and acknowledge in writing that if such Third Party Claim is adversely determined, such Indemnifying Party will have the obligation to indemnify the Indemnified Party in respect of all liabilities relating to, arising out of or resulting from such Third Party Claim and that such Indemnifying Party irrevocably waives in full all defenses it may have to contest such obligation. After such notice and acknowledgment from an Indemnifying Party to an Indemnified Party of its election to assume the defense of a Third Party Claim, such Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnified Party.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election as provided in Section 6.6(b), such Indemnified Party may defend such Third Party Claim at the cost and expense of the Indemnifying Party.

(d) Unless the Indemnifying Party has failed to assume the defense of the Third Party Claim in accordance with the terms of this Agreement, no Indemnified Party may settle or compromise any Third Party Claim without the consent of the Indemnifying Party. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party without the consent of the Indemnified Party if (i) the effect thereof is to permit any injunction, declaratory judgment, other order or other nonmonetary relief to be entered, directly or indirectly against such Indemnified Party and (ii) such settlement does not include a full, complete and unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Third Party Claim.

6.7 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article VI shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made on an After-Tax Basis and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article VI shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party; (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder; and (iii) any termination of this Agreement.

(b) Any claim on account of a Liability which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such Indemnifying Party shall be deemed to have refused to accept

responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Transaction Documents without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Article VI, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the costs of any interest or penalties relating to any judgment or settlement.

6.8 Remedies Cumulative; Limitations of Liability.

The rights provided in this Article VI shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. NOTWITHSTANDING THE FOREGOING, NO INDEMNIFYING PARTY SHALL BE LIABLE TO AN INDEMNIFIED PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, EXEMPLARY, STATUTORILY-ENHANCED OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES (PROVIDED THAT ANY SUCH LIABILITY WITH RESPECT TO A THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) ARISING IN CONNECTION WITH THE TRANSACTIONS.

6.9 Survival of Indemnities.

The rights and obligations of each of CCU and Entertainment and their respective Indemnified Parties under this Article VI shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE VII
OTHER AGREEMENTS

7.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties will cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) commercially reasonable efforts, prior to, on and after the Distribution Date, to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the Transaction Documents.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party from and after the Distribution Date, to execute and deliver, or use commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Approvals), and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the Transaction Documents, in order to effectuate the provisions and purposes of this Agreement and the Transaction Documents and the transfers of the Entertainment Assets and the assignment and assumption of the Entertainment Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title to the Assets allocated to such party under this Agreement or any of the Transaction Documents, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Distribution Date, CCU and Entertainment in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by CCU, Entertainment or any other Subsidiary of CCU or Entertainment, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) On or prior to the Distribution Date, CCU and Entertainment shall take all actions as may be necessary to approve the stock-based employee benefit plans of Entertainment in order to satisfy the requirements of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of the NYSE.

7.2 Confidentiality.

(a) From and after the Distribution, subject to Section 7.2(c) and except as contemplated by this Agreement or any Transaction Document, CCU shall not, and shall cause the other members of the CCU Group and all of such parties' respective officers, directors,

employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person (other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to any member of the CCU Group) or use or otherwise exploit for its own benefit or for the benefit of any third party, any Entertainment Confidential Information. If any disclosures are made by a member of the CCU Group to its Representatives in connection with such Representatives providing services to any member of the CCU Group under this Agreement or any Transaction Document, then the Entertainment Confidential Information so disclosed shall be used only as required to perform the services. CCU shall, and shall cause the other members of the CCU Group to, use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Entertainment Confidential Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. Any information, material or documents relating to the Entertainment Business currently or formerly conducted, or proposed to be conducted, by any member of the Entertainment Group furnished to or in possession of any member of the CCU Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by or on behalf of any member of the CCU Group that contain or otherwise reflect such information, material or documents is referred to herein as "Entertainment Confidential Information." "Entertainment Confidential Information" does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the CCU Group or any of their Representatives not otherwise permissible hereunder, (ii) such member of the CCU Group can demonstrate was or became available to such member of the CCU Group from a source other than Entertainment or its Affiliates or (iii) is developed independently by such member of the CCU Group without reference to the Entertainment Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by such member of the CCU Group to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Entertainment or any member of the Entertainment Group with respect to such information.

(b) From and after the Distribution, subject to Section 7.2(c) and except as contemplated by this Agreement or any Transaction Document, Entertainment shall not, and shall cause the other members of the Entertainment Group and all of such parties' respective Representatives not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person (other than Representatives of such party or of its Affiliates who reasonably need to know such information in providing services to Entertainment or any member of the Entertainment Group), or use or otherwise exploit for its own benefit or for the benefit of any third party, any CCU Confidential Information. If any disclosures are made by a member of the Entertainment Group to its Representatives in connection with such Representatives providing services to any member of the Entertainment Group under this Agreement or any Transaction Document, then the CCU Confidential Information so disclosed shall be used only as required to perform the services. Entertainment shall, and shall cause the other members of the Entertainment Group to, use the same degree of care to prevent and restrain the unauthorized use or disclosure of the CCU Confidential Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care.

Any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by any member of the CCU Group furnished to or in possession of any member of the Entertainment Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by or on behalf of Entertainment or any member of the Entertainment Group that contain or otherwise reflect such information, material or documents is referred to herein as "CCU Confidential Information." "CCU Confidential Information" does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the Entertainment Group or any of their Representatives not otherwise permissible hereunder, (ii) such member of the Entertainment Group can demonstrate was or became available to such Entertainment Group member from a source other than CCU or its Affiliates or (iii) is developed independently by such member of the Entertainment Group without reference to the CCU Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by such member of the Entertainment Group to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, CCU or any other member of the CCU Group with respect to such information.

(c) If any member of the CCU Group or their respective Representatives, on the one hand, or any member of the Entertainment Group or their respective Representatives, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any Entertainment Confidential Information or CCU Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article V of this Agreement), as applicable, the entity or person receiving such request or demand shall use all commercially reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other commercially reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any Entertainment Confidential Information or CCU Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process of such Governmental Authority.

7.3 Litigation.

(a) As of the Distribution Date, Entertainment shall, and shall cause the other members of the Entertainment Group to assume those Actions relating in any material respect to the Entertainment Business in which one or more members of the CCU Group is a defendant or the party against whom any claim or investigation is directed (collectively, the "Assumed Actions"), including the Assumed Actions listed on Schedule 7.3(a).

(b) From and after the Distribution, Entertainment shall, and shall cause the other members of the Entertainment Group to, (i) diligently conduct, at its sole cost and expense, the

defense of all Assumed Actions and all Existing Actions, (ii) except as may be provided in Section 7.4, pay all Liabilities that may result from the Assumed Actions and the Existing Actions, and (iii) pay all fees and costs relating to the defense of the Assumed Actions and the Existing Actions, including attorneys' fees and costs incurred after the Distribution Date. "Existing Actions" means those Actions (other than Assumed Actions) in which Entertainment or any other member of the Entertainment Group has been named as a defendant or is the party against whom any claim or investigation is directed, including those listed on Schedule 7.3(b).

(c) Notwithstanding anything in this Section 7.3 to the contrary, CCU shall have the right to participate in the defense of any Assumed Action and Existing Action and to be represented by attorneys of its own choosing and at its sole cost and expense. In no event shall Entertainment (or any other member of the Entertainment Group) settle or compromise any Assumed Action without the express prior written consent of CCU.

(d) Each of CCU and Entertainment agrees that at all times from and after the Distribution Date, if an Action is commenced by a third party naming both parties (or any member of its respective Group) as defendants thereto and with respect to which one party (or any member of its respective Group) is a nominal defendant, then the other party shall use commercially reasonable efforts to cause such nominal defendant to be removed from such Action.

(e) Notwithstanding anything in this Section 7.3 to the contrary, the Actions set forth on Schedule 7.3(e) shall be handled in accordance with the terms, conditions and procedures set forth on such schedule.

7.4 Insurance Matters.

(a) Except as may otherwise be expressly provided in this Section 7.4, Entertainment does hereby, for itself and each other member of the Entertainment Group, agree that CCU and the other members of the CCU Group shall not have any Liability whatsoever as a result of the insurance policies and practices of CCU in effect at any time on or before the Distribution Date, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy and the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise.

(b) The CCU Group shall continue to own all property damage and business interruption, and liability insurance policies and programs, including, without limitation, primary and excess general liability, executive liability, automobile, workers' compensation, property damage and business interruption, crime and surety insurance policies, in effect on or before the Distribution Date (collectively, the "CCU Policies"). Subject to the provisions of this Agreement, the members of the CCU Group shall retain all of their respective rights, benefits and privileges, if any, under the CCU Policies. Nothing contained herein shall be construed to be an attempted assignment of or a change to any part of the ownership of the CCU Policies.

With respect to any claim under the CCU Policies relating to the Entertainment Business or the Entertainment Assets, CCU shall have sole responsibility for claims administration of such policies (but financial responsibility for such Actions shall be governed by Schedule 7.3(e). Except as expressly set forth in Sections 7.4(d) and 7.4(e), no CCU Group member shall have any responsibility for, or obligation to, any member of the Entertainment Group under the CCU Policies relating to property damage, business interruption, liability or workers' compensation matters for any period, whether prior to, on or after the Distribution Date.

(c) As of the Distribution Date, Entertainment shall be responsible for establishing and maintaining separate property damage and business interruption and liability insurance policies and programs (including, primary and excess general liability, executive liability, automobile, workers' compensation, property damage and business interruption, crime, surety and other similar insurance policies) for activities and claims involving any member of the Entertainment Group, in each case with commercially reasonable limits and deductibles. Entertainment shall be responsible for all administrative and financial matters relating to insurance policies established and maintained by the Entertainment Group for claims involving any member of the Entertainment Group.

(d) For property damage and business interruption losses related to the Entertainment Assets or the Entertainment Business which occur prior to the Distribution, CCU shall have the sole right, responsibility and authority to submit and process claims, including claims that are payable to any member of the CCU Group in whole or in part because of insurance or reinsurance in support of property damage and business interruption insurance maintained by any CCU Group member prior to the Distribution Date. Any amounts received by CCU (net of any costs, expenses, deductibles and other similar payments made by any CCU Group member) with respect to any such unresolved claims in existence on the Distribution Date that are settled subsequent to the Distribution Date shall be paid promptly to Entertainment after receipt thereof by CCU.

(e) With respect to workers' compensation insurance claims administration for occurrences prior to the Distribution:

(i) The members of the CCU Group shall have the sole right, responsibility and authority for liability and workers' compensation claims administration and financial administration for pre-Distribution occurrences that relate to or affect the CCU Policies or that are uninsured due to the terms of the CCU Policies.

(ii) Upon notification by a member of the Entertainment Group of a claim relating to a member of the Entertainment Group under one or more of the CCU Policies, CCU shall cooperate with Entertainment in asserting and pursuing coverage and payment for such claim by the appropriate insurance carriers. CCU shall have sole power and authority to make binding decisions, determinations, commitments and stipulations on its own behalf and on behalf of the Entertainment Group, which decisions, determinations, commitments and stipulations shall be final and conclusive if reasonably made to maximize the overall economic benefit of the CCU Policies.

(iii) The Entertainment Group shall assume responsibility for, and shall pay to the appropriate insurance carriers or otherwise, any premiums, retrospectively rated premiums, defense costs, indemnity payments, deductibles, retentions or uninsured costs arising from liability or workers' compensation losses which are uninsured because of coverage terms or conditions of the policies covering such losses, or other charges (collectively, "Insurance Charges") whenever arising, which shall become due and payable under the terms and conditions of any applicable CCU Policy in respect of any liabilities, losses, claims, actions or occurrences, whenever arising or becoming known, arising out of the ownership, use or operation of any of the assets, businesses, operations or liabilities of any member of the Entertainment Group, when the same relate to the period prior to, on or after the Distribution Date. To the extent that the terms of any applicable CCU Policy provide that any CCU Group member shall have an obligation to pay or guarantee the payment of any Insurance Charges relating to any member of the Entertainment Group, CCU shall be entitled to demand that Entertainment make such payment directly to the Person or entity entitled thereto. In connection with any such demand, CCU shall submit to Entertainment a copy of any invoice or listing of claims received by CCU pertaining to such Insurance Charges together with appropriate supporting documentation. In the event that Entertainment fails to pay any such Insurance Charges when due and payable, whether at the request of the Person entitled to payment or upon demand by CCU, the members of the CCU Group may (but shall not be required to) pay such insurance charges for and on behalf of the Entertainment Group and, thereafter, Entertainment shall reimburse CCU for such payment within 30 days.

(f) An insurance carrier that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the provisions of this Section 7.4, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurance carrier or any third party shall be entitled to a benefit (*i.e.*, a benefit they would not be entitled to receive had no Distribution occurred or in the absence of the provisions of this Section 7.4) by virtue of the provisions hereof.

(g) Through the Distribution Date, CCU will maintain in full force and effect its existing insurance to the extent that it applies to the Entertainment Assets or the Entertainment Business.

(h) The provisions of this Section 7.4 relate solely to matters involving property, damage and business interruption, and liability insurance policies and programs, including, without limitation, primary and excess general liability, executive liability, automobile, workers' compensation, property damage and business interruption, crime and surety insurance policies, and shall not be construed to affect any obligation of or impose any obligation on the parties with respect to any life, health and accident, dental or medical or any other insurance policies applicable to any of the officers, directors, employees or other representatives of the parties or their respective Groups.

7.5 Allocation of Costs and Expenses.

CCU shall pay (or, to the extent incurred by and paid for by any member of the Entertainment Group, will promptly reimburse such party for any and all amounts so paid) for all out-of-pocket fees, costs and expenses incurred by Entertainment or any member of the CCU

Group prior to and simultaneously with the consummation of the Distribution in connection with the Transactions, including (a) the preparation and negotiation of this Agreement, each Transaction Document (unless otherwise expressly provided therein), and all other documentation related to the Transactions and all related transactions, (b) the preparation and execution or filing of any and all other documents, agreements, forms, applications, contracts or consents associated with the Transactions and all related transactions, (c) the preparation and filing of Entertainment's and its Subsidiaries' organizational documents, (d) the preparation, printing and filing of the Form 10, including all fees and expenses of complying with applicable federal, state or foreign securities Laws and domestic or foreign securities exchange rules and regulations, together with fees and expenses of counsel retained to effect such compliance, (e) the private letter ruling from the Internal Revenue Service sought in connection with the Transactions, (f) the initial listing of the Entertainment Common Stock on the NYSE, (g) the preparation (including, but not limited to, the printing of documents) and implementation of Entertainment's or its Subsidiaries' employee benefit plans, retirement plans and equity-based plans and (h) the Series B Preferred Stock Sale, but excluding all out-of-pocket fees, commissions, discounts, costs and expenses incurred in connection with the Credit Facility, the Series A Preferred Stock Issuance and the Series B Preferred Stock Issuance, which shall be the responsibility of Entertainment.

7.6 Tax Matters. Notwithstanding any provision in this Agreement to the contrary, to the extent that any representations, warranties, covenants and agreements between CCU and Entertainment, and their respective Groups, with respect to Tax matters are set forth in the Tax Matters Agreement, including indemnification agreements or tax sharing agreements or arrangements, such Tax matters shall be governed exclusively by such Tax agreements and not by this Agreement.

7.7 Trademarks and Trade Names. This Agreement does not assign any rights in any trademarks, service marks or trade names containing "Clear Channel" or any variations thereof, or any of their respective applications and registrations wherever used or registered, other than as specifically set forth in the Trademark License Agreement. Entertainment shall, and shall cause the other members of the Entertainment Group to, at its own expense, (a) within thirty (30) days after the Distribution Date, change, if necessary, its corporate name to delete therefrom the words "Clear Channel" or any other word that is confusingly similar to the words "Clear Channel," and (b) within one (1) year after the Distribution Date, remove any and all references to any trademarks, service marks or trade names containing "Clear Channel" from any and all signs, displays or other identification or advertising materials.

ARTICLE VIII
DISPUTE RESOLUTION

8.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the Transaction Documents, or the validity, interpretation, breach or termination thereof (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Article VIII, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified below.

(b) Commencing with a request contemplated by Section 8.2, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute, including any mediator's evaluation referred to in Section 8.3, shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible in evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of the Dispute.

(c) IN CONNECTION WITH ANY DISPUTE, THE PARTIES EXPRESSLY WAIVE AND FORGO ANY RIGHT TO (I) SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, EXEMPLARY, STATUTORILY ENHANCED OR SIMILAR DAMAGES IN EXCESS OF COMPENSATORY DAMAGES (PROVIDED THAT LIABILITY FOR ANY SUCH DAMAGES WITH RESPECT TO A THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES), AND (II) TRIAL BY JURY.

(d) The specific procedures set forth below, including but not limited to the time limits referenced therein, may be modified by agreement of the parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article VIII are pending. The parties will take such action, if any, required to effectuate such tolling.

(f) THE PARTIES HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE COURT LOCATED WITHIN THE STATE OF TEXAS OVER ANY SUCH DISPUTE AND EACH PARTY HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH DISPUTE OR ANY ACTION RELATED THERETO MAY BE HEARD AND DETERMINED IN SUCH COURTS. THE PARTIES HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH DISPUTE BROUGHT IN SUCH COURT OR ANY DEFENSE OF INCONVENIENT FORUM FOR THE MAINTENANCE OF SUCH DISPUTE. EACH OF THE PARTIES AGREES THAT A JUDGMENT IN ANY SUCH DISPUTE MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

8.2 Consideration by Senior Executives.

If a Dispute is not resolved in the normal course of business at the operational level, the parties first shall attempt in good faith to resolve such Dispute by negotiation between executives who hold, at a minimum, the office of President and Chief Executive Officer of the respective business entities involved in such Dispute prior to exercising remedies pursuant to Section 8.3 or Section 8.4. Either party may initiate the executive negotiation process by providing a written notice to the other (the "Initial Notice"). Within fifteen (15) days after delivery of the Initial Notice, the receiving party shall submit to the other a written response (the "Response"). The Initial Notice and the Response shall include (i) a statement of the Dispute and of each party's position, and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Such executives will meet in person or by

telephone within thirty (30) days of the date of the Initial Notice to seek a resolution of the Dispute.

8.3 Mediation.

If a Dispute is not resolved by negotiation as provided in Section 8.2 within forty-five (45) days from the delivery of the Initial Notice, then either party may submit the Dispute for resolution by mediation pursuant to the CPR Institute for Dispute Resolution (the "CPR") Model Mediation Procedure as then in effect prior to exercising remedies pursuant to Section 8.4. The parties will select a mediator from the CPR Panels of Distinguished Neutrals. Either party at commencement of the mediation may ask the mediator to provide an evaluation of the Dispute and the parties' relative positions.

8.4 Arbitration.

(a) If a Dispute is not resolved by mediation as provided in Section 8.3 within thirty (30) days of the selection of a mediator (unless the mediator chooses to withdraw sooner), either party may submit the Dispute to be finally resolved by arbitration pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules"). The parties hereby consent to a single, consolidated arbitration for all known Disputes existing at the time of the arbitration and for which arbitration is permitted.

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal shall be composed of three arbitrators, of whom each party shall appoint one in accordance with the "screened" appointment procedure provided in Rule 5.4 of the CPR Arbitration Rules. The arbitration shall be conducted in San Antonio, Texas. Each party shall be permitted to present its case, witnesses and evidence, if any, in the presence of the other party. A written transcript of the proceedings shall be made and furnished to the parties. The arbitrators shall determine the Dispute in accordance with the law of the State of Texas, without giving effect to any conflict of law rules or other rules that might render such law inapplicable or unavailable, and shall apply this Agreement and the Transaction Documents according to their respective terms; provided, however, that any Dispute in respect of a Transaction Document which by its terms is governed by the law of a jurisdiction other than the State of Texas shall be determined by the law of such other jurisdiction and; provided, further, however, that the provisions of this Agreement relating to arbitration shall in any event be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq.

(c) The parties agree to be bound by any award or order resulting from any arbitration conducted in accordance with thisSection 8.4 and further agree that judgment on any award or order resulting from an arbitration conducted under this Section 8.4 may be entered and enforced in a court having jurisdiction thereof.

(d) Except as expressly permitted by this Agreement, no party will commence or voluntarily participate in any court action or proceeding concerning a Dispute, except (i) for enforcement as contemplated by Section 8.4(c), (ii) to restrict or vacate an arbitral decision based on the grounds specified under applicable law, or (iii) for interim relief as provided in

Section 8.4(e). For purposes of the foregoing and as provided in Section 8.1(f), the parties submit to the exclusive jurisdiction of the courts of the State of Texas.

(e) In addition to the authority otherwise conferred on the arbitral tribunal, the tribunal shall have the authority to make such orders for interim relief, including injunctive relief, as it may deem just and equitable. Notwithstanding Section 8.4(d) above, each party acknowledges that in the event of any actual or threatened breach of the provisions of (i) Section 7.2, (ii) the Employee Matters Agreement, (iii) the Trademark License Agreement, (iv) the Tax Matters Agreement or (v) the Transition Services Agreement, the remedy at law would not be adequate, and therefore injunctive or other interim relief may be sought immediately to restrain such breach. If the tribunal shall not have been appointed, either party may seek interim relief from a court having jurisdiction if the award to which the applicant may be entitled may be rendered ineffectual without such interim relief. Upon appointment of the tribunal following any grant of interim relief by a court, the tribunal may affirm or disaffirm such relief, and the parties will seek modification or rescission of the court action as necessary to accord with the tribunal's decision.

(f) Each party will bear its own attorneys' fees and costs incurred in connection with the resolution of any Dispute in accordance with this Article VIII.

ARTICLE IX
MISCELLANEOUS

9.1 Corporate Power; Fiduciary Duty.

(a) Each of CCU and Entertainment represents as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each other Transaction Document to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement has been duly executed and delivered by each such Person and each Transaction Document to which such Person is a party has been, or will be on or prior to the Distribution Date, duly executed and delivered by it, and upon execution and delivery, this Agreement and the other Transaction Documents will constitute a valid and binding agreement of such Person enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance or similar laws affecting the enforcement of creditors' rights generally and subject to general principles of equity (regardless of whether enforcement is sought in a proceeding of law or in equity).

(b) Notwithstanding any provision of this Agreement or any Transaction Document, no member of the Entertainment Group and no member of the CCU Group shall be required to take or omit to take any act that would violate its fiduciary duties to any non-wholly-owned Subsidiary of CCU or Entertainment, as the case may be (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly-owned).

9.2 Governing Law.

This Agreement and, unless expressly provided therein, each other Transaction Document, shall be governed by, and construed and interpreted in accordance with, the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might require the application of the laws of another jurisdiction.

9.3 Survival of Covenants.

Except as expressly set forth in any Transaction Document, the covenants and other agreements contained in this Agreement and each Transaction Document, and liability for the breach of any obligations contained herein or therein, shall survive each of the Contribution and the Distribution and shall remain in full force and effect.

9.4 Force Majeure.

No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement or, unless otherwise expressly provided therein, any Transaction Document, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other parties of the nature and extent of any such Force Majeure condition and (b) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

9.5 Notices.

All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Transaction Documents shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.5):

If to any member of the CCU Group, to:

Clear Channel Communications, Inc.
200 E. Basse Road
San Antonio, TX 78209
Attn: Chief Executive Officer
Facsimile: (210) 822-2299

If to any member of the Entertainment Group, to:

CCE Spinco, Inc.
9348 Civic Center Drive, 4th Floor
Beverly Hills, CA 90210
Attn: Chief Executive Officer
Facsimile: (310) 867-7051

9.6 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

9.7 Entire Agreement.

Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement of the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties with respect to the subject matter of this Agreement.

9.8 Assignment; No Third-Party Beneficiaries.

This Agreement shall not be assigned by any party hereto without the prior written consent of the other party hereto. Except as provided in Article VI with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.9 Public Announcements.

CCU and Entertainment shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement and the Transaction Documents, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

9.10 Amendment.

No provision of this Agreement may be amended or modified except by a written instrument signed by both parties. No waiver by any party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

9.11 Rules of Construction.

Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (b) references to the terms Article, Section, paragraph, and Schedule are references to the Articles, Sections, paragraphs, and Schedules to this Agreement unless otherwise specified, (c) the word "including" and words of similar import shall mean "including, without limitation," (d) provisions shall apply, when appropriate, to successive events and transactions, (e) the table of contents and headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, and (f) this Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

9.12 Counterparts.

This Agreement may be executed in one or more counterparts, and by each party in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of any such Agreement.

9.13 Termination.

This Agreement and any Transaction Document may be terminated at any time prior to the Effective Date by and in the sole discretion of CCU without the approval of Entertainment in which case neither party will have any liability of any kind to the other party. The obligations of the parties under Article IV (including the obligation to pursue or effect the Distribution) may be terminated by CCU if at any time after the Effective Date and prior to the Distribution CCU determines, in its sole and absolute discretion, that the Distribution would not be in the best interests of CCU or its shareholders.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Master Separation and Distribution Agreement to be executed to be effective on the date first written above by their respective duly authorized officers.

CLEAR CHANNEL COMMUNICATIONS, INC.

By: /s/ Randall T. Mays
Randall T. Mays
Executive Vice President &
Chief Financial Officer

CCE SPINCO, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

The undersigned subsidiaries of CCE Spinco, Inc. have caused this Master Separation and Distribution Agreement to be executed to be effective on the date first written above by their respective duly authorized officers for the purpose of agreeing to be bound to this Master Separation and Distribution Agreement and to be liable, jointly and severally, with CCE Spinco, Inc. to Clear Channel Communications, Inc. for all covenants, agreements, liabilities and obligations provided herein or arising hereunder.

CCE HOLDCO #1, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

CCE HOLDCO #2, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

SFX ENTERTAINMENT, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

Exhibit 3.1

AMENDED AND RESTATED

BY-LAWS

OF

CCE SPINCO, INC.

Incorporated under the Laws of the State of Delaware

ARTICLE I

OFFICES AND RECORDS

SECTION 1.1 **Offices**. The Corporation may have such offices, either within or without the State of Delaware, as the Board of Directors may designate or as the business of the Corporation may from time to time require.

SECTION 1.2 **Books and Records**. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

SECTION 2.1 **Annual Meeting**. The annual meeting of the stockholders of the Corporation shall be held on such date and at such place and time as may be fixed by resolution of the Board of Directors.

SECTION 2.2 **Special Meeting**. Except as otherwise required by law or provided by the resolution or resolutions adopted by the Board of Directors designating the rights, powers and preferences of any series of Preferred Stock and the Certificate of Designations filed by the Corporation with respect thereto (collectively, a "Certificate of Designations"), and except as set forth in the Corporation's Certificate of Incorporation, as amended or restated (the "Certificate of Incorporation"), special meetings of the stockholders may be called only by the Chairman of the Board of Directors (the "Chairman of the Board") or by the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors.

SECTION 2.3 **Place of Meeting**. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board of Directors or the Chairman of the Board. If no designation is so made, the place of meeting shall be the principal executive office of the Corporation.

SECTION 2.4 **Notice of Meeting**. Written or printed notice, stating the place, if any, date and time of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting,

shall be delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally, by mail or by other lawful means, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his or her address as it appears on the stock transfer books of the Corporation. Such further notice shall be given as may be required by law. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Section 6.6 of these By-Laws. Any previously scheduled meeting of the stockholders may be postponed, and, unless the Certificate of Incorporation otherwise provides, any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

SECTION 2.5 **Quorum and Adjournment**. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the total voting power of all classes of the then-outstanding capital stock of the Corporation entitled to vote generally in the election of directors (the "Voting Stock"), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a separate class or series, the holders of a majority of the then-outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. Attendance of a person at a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened shall not constitute the presence of such person for the purposes of determining whether a quorum exists. The chairman of the meeting or the holders of shares representing a majority of the votes entitled to be cast by the holders of Voting Stock so present may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law; *provided, however*, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting shall be given in conformity herewith. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.6 **Conduct of Business**. The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order. The chairman shall have the power to adjourn the meeting to another place, if any, date and time.

SECTION 2.7 **Proxies**. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware) by the stockholder, or by his or her duly authorized attorney-in-fact. Such proxy must be filed with the Secretary or his or her representative at or before the time of the meeting at which such proxy will be voted. No proxy shall be valid after eleven (11) months

from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law.

SECTION 2.8 **Notice of Stockholder Business and Nominations**.

(A) *Annual Meetings of Stockholders*.

(1) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders at an annual meeting of stockholders may be made (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the Corporation's notice of meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in paragraph (A)(2) of this Section 2.8.

(2) For nominations of persons for election to the Board of Directors or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 2.8, the stockholder must give timely notice thereof in writing to the Secretary, and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of any annual meeting is more than thirty (30) days before or more than thirty (30) days after such anniversary date, notice by the stockholder, to be timely, must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (a) the close of business on the 90th day prior to such annual meeting and (b) the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. Except as provided in Section 2.5 of these By-Laws, the public announcement of an adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (x) as to each person who the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in a solicitation of proxies for the election of directors in an election contest, or that is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and such nominated person's written consent to serve as a director if elected; (y) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (z) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (ii) the class and number of shares of Voting Stock that are owned beneficially and of record by such stockholder and by any such beneficial owner. For purposes of these By-Laws, the term "beneficial owner" and "beneficial ownership" shall have the meaning ascribed to such terms in Rule 13d-3 under the Exchange Act, and shall be determined in accordance with such rule.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 2.8 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement by the Corporation naming all of the Corporation's nominees for director or specifying the size of the increased Board of Directors at least 120 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice pursuant to this Section 2.8 shall also be considered timely, but only with respect to nominees for any new seats on the Board of Directors created by such increase, if it is delivered to the Secretary at the principal executive office of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(B) *Special Meetings of Stockholders.* No business other than that stated in the Corporation's notice of a special meeting of stockholders shall be transacted at such special meeting. If the business stated in the Corporation's notice of a special meeting of stockholders includes electing one or more directors to the Board of Directors, nominations of persons for election to the Board of Directors at such special meeting may be made (1) by or at the direction of the Board of Directors or (2) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the Corporation's notice of meeting, who is entitled to vote at the meeting and who gives timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of (a) the close of business on the 90th day prior to such special meeting and (b) the close of business on the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. Such stockholder's notice shall set forth (x) as to each person who the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in a solicitation of proxies for the election of directors in an election contest, or that is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, and such nominated person's written consent to serve as a director if elected; and (y) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (ii) the class and number of shares of Voting Stock that are owned beneficially and of record by such stockholder and by any such beneficial owner. Except as provided in Section 2.5 of these By-Laws, the public announcement of an adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(C) *General.*

(1) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.8 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.8. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the

procedures set forth in this Section 2.8 and, if any proposed nomination or business was not made or proposed in compliance with this Section 2.8, to declare that such non-compliant proposal or nomination be disregarded.

(2) For purposes of this Section 2.8, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 2.8, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the nomination of persons for election to the Board of Directors or the proposal of business to be considered by the stockholders at a meeting of stockholders. Nothing in this Section 2.8 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

SECTION 2.9 **Procedure for Election of Directors; Required Vote**. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot, and, subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, a plurality of the votes cast thereat shall elect directors. Except as otherwise provided by law, the Certificate of Incorporation, any Certificate of Designations or these By-Laws, in all matters other than the election of directors, the affirmative vote of the holders of at least a majority of the total voting power of the Voting Stock actually present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders. No stockholder shall be entitled to exercise any right of cumulative voting. Every reference in these By-Laws to a majority or other proportion of shares, or a majority or other proportion of the votes of shares, of Voting Stock (or any one or more classes or series of Voting Stock) shall refer to such majority or other proportion of the votes to which such shares of Voting Stock entitle their holders to cast as provided in the Certificate of Incorporation.

SECTION 2.10 **Inspectors of Elections; Opening and Closing the Polls**. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 2.11 **No Stockholder Action by Written Consent**. Except as otherwise provided by a Certificate of Designations, any action required or permitted to be taken by stockholders may be effected only at a duly called annual or special meeting of stockholders and may not be effected by a written consent or consents by stockholders in lieu of such a meeting.

SECTION 2.12 **Stock List**. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder for a period of at least 10 days prior to the meeting in the manner provided by law. The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1 **General Powers**. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. In addition to the powers and authorities expressly conferred upon the Board of Directors by these By-Laws, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these By-Laws required to be exercised or done by the stockholders.

SECTION 3.2 **Number, Tenure and Qualifications**. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed, and may be increased or decreased from time to time, exclusively by a resolution adopted by a majority of the entire Board of Directors. The directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be apportioned, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as is possible and designated Class I, Class II and Class III. Class I shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2007, Class II shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2008, and Class III shall be initially elected for a term expiring at the annual meeting of stockholders to be held in 2009. Members of each class shall hold office until their successors are elected and qualified. At each succeeding annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. In case of any increase or decrease, from time to time, in the number of directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, the number of directors added to or eliminated from each class shall be apportioned so that the number of directors in each class thereafter shall be as nearly equal as possible.

SECTION 3.3 **Regular Meetings**. Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have

been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

SECTION 3.4 **Special Meetings**. Special meetings of the Board of Directors shall be called by the Chairman of the Board, the Chief Executive Officer or a majority of the Board of Directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

SECTION 3.5 **Notice**. Notice of any special meeting of directors shall be given to each director at his or her business or residence (as he or she may specify) in writing by hand delivery, first-class mail, overnight mail or courier service, confirmed facsimile transmission or electronic transmission or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mail so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If given by overnight mail or courier service, such notice shall be deemed adequately delivered when the notice is delivered to the overnight mail or courier service company at least twenty-four (24) hours before such meeting. If given by telephone, hand delivery or confirmed facsimile transmission or electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least twenty-four (24) hours before such meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these By-Laws, as provided under Section 8.1. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 6.6 of these By-Laws.

SECTION 3.6 **Action by Consent of Board of Directors**. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.7 **Conference Telephone Meetings**. Members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors, or such committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting.

SECTION 3.8 **Quorum; Voting**. Subject to Section 3.9, at all meetings of the Board of Directors, the presence of a majority of the total number of directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board of Directors there shall be less than a quorum present, the directors present thereat may adjourn the meeting from time to time without further notice. Attendance of a director at a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened shall not constitute the presence of such director for the purposes of determining whether a quorum exists. The act of a majority of directors present at a meeting at which there is a quorum shall be the act of the Board of Directors.

SECTION 3.9 **Vacancies**. Except as otherwise provided by a Certificate of Designations, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director. Any director so chosen shall hold office until his or her successor shall be elected and qualified and, if the Board of Directors at such time is classified, until the next election of the class for which such director shall have been chosen. No decrease in the number of directors shall shorten the term of any incumbent director.

SECTION 3.10 **Chairman/Vice Chairman**. The full Board of Directors may elect a Chairman of the Board and a Vice Chairman of the Board of Directors (the "Vice Chairman of the Board") from among the directors. The Chairman of the Board and the Vice Chairman of the Board may be removed from such capacity, but not in his or her capacity as a director, by a majority vote of the full Board of Directors. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board shall have such other powers and duties as may from time to time be prescribed by the Board of Directors, upon written directions given to him pursuant to resolutions duly adopted by the Board of Directors. The Vice Chairman of the Board, in the absence of the Chairman of the Board, shall preside at all meetings of the stockholders and of the Board of Directors. (In the absence or inability to act of the Chairman of the Board, the Vice Chairman of the Board and the Chief Executive Officer, the Board of Directors shall elect a chairman of the meeting.) The Vice Chairman of the Board shall have such other powers and duties as may from time to time be prescribed by the Board of Directors, upon written directions given to him pursuant to resolutions duly adopted by the Board of Directors, or by the Chairman of the Board.

SECTION 3.11 **Committees of the Board of Directors**. The Board of Directors may from time to time designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; one-third (1/3) of the members shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present.

No committee shall have the power or authority in reference to any of the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by General Corporation Law of the State of Delaware to be submitted to stockholders for approval or (b) altering, amending or repealing any By-Law, or adopting any new By-Law.

SECTION 3.12 **Removal**. Except as otherwise provided by a Certificate of Designations, any director or the entire Board of Directors may be removed from office only for cause and only by the affirmative vote of the holders of at least 80% of the total voting power of the Voting Stock.

SECTION 3.13 **Records**. The Board of Directors shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board of Directors, and of any committee thereof, and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

SECTION 3.14 **Compensation**. The Board of Directors shall have authority to determine from time to time the amount of compensation, if any, that shall be paid to its members for their services as directors and as members of standing or special committees of the Board of Directors. The Board of Directors shall also have power, in its discretion, to provide for and to pay to directors rendering services to the Corporation not ordinarily rendered by directors as such, special compensation appropriate to the value of such services as determined by the Board of Directors from time to time. Nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

OFFICERS

SECTION 4.1 **Elected Officers**. The elected officers of the Corporation shall be a Chief Executive Officer, a President, a Secretary, a Treasurer and such other officers (including, without limitation, one or more Vice Presidents, a Chief Operating Officer and a Chief Financial Officer) as the Board of Directors from time to time may deem proper. All officers elected by the Board of Directors shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board of Directors or by any committee thereof. The Board of Directors, or any committee thereof, may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board of Directors, or such committee, or by the Chief Executive Officer, as the case may be.

SECTION 4.2 **Election and Term of Office**. The elected officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after the annual meeting of the stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign, but any officer may be removed from office at any time by the affirmative vote of a majority of the members of the Board of Directors or, except in the case of an officer or agent elected by the Board or by the Chief Executive Officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

SECTION 4.3 **Chief Executive Officer**. The Chief Executive Officer, subject to the control of the Board of Directors, shall act in a general executive capacity and shall control the business and affairs of the Corporation. In the absence of the Chairman of the Board and the Vice Chairman of the Board or if a Chairman of the Board and a Vice Chairman of the Board are not elected by the Board of Directors, the Chief Executive Officer shall preside at all meetings of the stockholders and, if the Chief Executive Officer is a director, at all meetings of the Board of Directors. He or she may also preside at any such meeting attended by the Chairman of the Board if he or she is so designated by the Chairman of the Board. In the absence of the Chairman of the Board, he or she may also preside at any such meeting attended by the Vice Chairman of the Board if he or she is so designated by the Vice Chairman of the Board. The Chief Executive Officer shall have the power to appoint and remove subordinate officers, agents and employees, except those elected by the Board of Directors. The Chief Executive Officer shall keep the Board of Directors fully informed and shall consult with them concerning the business of the Corporation.

SECTION 4.4 **President**. The President shall have general supervision over strategic planning and implementation, administration and the accounting and finance operations of the Corporation, and shall see that all resolutions of the board of directors are carried into effect. The President shall have such other duties as may be determined from time to time by resolution of the Board of Directors not inconsistent with these By-Laws. The President, in the absence or incapacity of the Chief Executive Officer, shall also perform the duties of that office. He or she may sign with the Secretary or any other officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation and any deeds, bonds, mortgages, contracts, checks, notes, drafts or other instruments that the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these By-Laws or by the Board of Directors to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed. He or she shall vote, or give a proxy to any other officer of the Corporation to vote, all shares of stock of any other corporation standing in the name of the Corporation and in general he or she shall perform all other duties normally incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 4.5 **Vice-Presidents**. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Board of Directors.

SECTION 4.6 **Chief Operating Officer**. The Chief Operating Officer, if one is elected, shall report to the Chief Executive Officer, in the event that he or she is also the President, or to the Chief Executive Officer and the President, in the event that he or she is not also the President, and shall have general supervision of the day-to-day operation of the activities of the Corporation and shall perform such duties, and shall have such other authority and powers, as the President (in the event that he or she is not also the Chief Executive Officer), the Chief Executive Officer or the Board of Directors may from time to time prescribe. The Chief Operating Officer, with the approval of either the Chief Executive Officer or the President, shall have authority to execute instruments, documents, agreements and contracts, in the name of the Corporation, to the same extent as the President or any Vice President.

SECTION 4.7 **Chief Financial Officer**. The Chief Financial Officer, if any, shall act in an executive financial capacity. He or she shall assist the Chief Executive Officer in the general supervision of the Corporation's financial policies and affairs.

SECTION 4.8 **Treasurer**. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board of Directors, or in such banks as may be designated as depositaries in the manner provided by resolution of the Board of Directors. He or she shall have such further powers and duties and shall be subject to such directions as may be granted or imposed upon him from time to time by the Board of Directors or the Chief Executive Officer.

SECTION 4.9 **Secretary**. The Secretary shall keep, or cause to be kept, in one or more books provided for that purpose, the minutes of all meetings of the Board of Directors, the committees of the Board of Directors and the stockholders; he or she shall see that all notices are duly given in accordance with the provisions of the Certificate of Incorporation, these By-Laws and as required by law; he or she shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he or she shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he or she shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors or the Chief Executive Officer.

SECTION 4.10 **Removal**. Any officer elected, or agent appointed, by the Board of Directors may be removed by the affirmative vote of a majority of the entire Board of Directors whenever, in their judgment, the best interests of the Corporation would be served thereby. Any officer or agent appointed by the Chief Executive Officer may be removed by him whenever, in his or her judgment, the best interests of the Corporation would be served thereby. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his or her successor or his or her death, resignation or removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

SECTION 4.11 **Vacancies**. Any newly created elected office and any vacancy in any elected office because of death, resignation or removal may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors. Any vacancy in an office appointed by the Chief Executive Officer because of death, resignation or removal may be filled by the Chief Executive Officer.

ARTICLE V

STOCK

SECTION 5.1 **Stock Certificates and Transfers**. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe. Subject to the satisfaction of any additional requirements specified in the Certificate of Incorporation, the shares of the stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof in person or by his or her attorney, upon surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require.

The certificates of stock shall be signed, countersigned and registered in such manner as the Board of Directors may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

SECTION 5.2 **Record Date**. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as described above; *provided, however,* that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 5.3 **Lost, Stolen or Destroyed Certificates**. No certificate for shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board of Directors, or any financial officer of the Corporation, may in its, or his or her, discretion require.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 6.1 **Fiscal Year**. The fiscal year of the Corporation shall be as fixed by the Board of Directors.

SECTION 6.2 **Dividends**. The Board of Directors may from time to time declare, and the Corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 6.3 **Seal**. The corporate seal shall have inscribed thereon the words “Corporate Seal,” the year of incorporation and around the margin thereof the words “CCE Spinco, Inc.”

SECTION 6.4 **Facsimile Signatures**. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-Laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or any committee thereof.

SECTION 6.5 **Reliance upon Books, Reports and Records**. The Board of Directors, each committee thereof, each member of the Board of Directors and such committees and each officer of the Corporation shall, in the performance of its, his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or documents presented to it or them by any of the Corporation’s officers or employees, by any committee of the Board of Directors or by any other person as to matters that the Board, such committee, such member or such officer reasonably believes are within such other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

SECTION 6.6 **Waiver of Notice**. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board of Directors or

committee thereof need be specified in any waiver of notice of such meeting. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6.7 **Audits**. The accounts, books and records of the Corporation shall be audited upon the conclusion of each fiscal year by an independent certified public accountant selected by the Board of Directors, or a committee thereof, and it shall be the duty of the Board of Directors, or such committee, to cause such audit to be done annually.

SECTION 6.8 **Resignations**. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice of such resignation to the Chief Executive Officer or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chief Executive Officer or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board of Directors or the stockholders to make any such resignation effective.

SECTION 6.9 **Indemnification and Insurance**.

(A) Each person who was or is made a party, or is threatened to be made a party to, or is involved, in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided, however*, that except as provided in paragraph (C) of this Section 6.9, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Section 6.9 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition, such advances to be paid by the Corporation within twenty (20) days after the receipt by the Corporation of a statement or statements from the claimant requesting such advance or advances from time to time; *provided, however*, that if the General Corporation Law of the State of Delaware requires, the payment of

such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 6.9 or otherwise.

(B) To obtain indemnification under this Section 6.9, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this paragraph (B), a determination, if required by applicable law, with respect to the claimant's entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board of Directors by a majority vote of a quorum consisting solely of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board of Directors unless there shall have occurred within two (2) years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a "Change in Control," in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board of Directors. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

(C) If a claim under paragraph (A) of this Section 6.9 is not paid in full by the Corporation within thirty (30) days after a written claim pursuant to paragraph (B) of this Section 6.9 has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standard of conduct that makes it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, Independent Counsel or stockholders) to make a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, Independent Counsel or stockholders) that the

claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(D) If a determination is made pursuant to paragraph (B) of this Section 6.9 that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to paragraph (C) of this Section 6.9.

(E) The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to paragraph (C) of this Section 6.9 that the procedures and presumptions of this Section 6.9 are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Section 6.9.

(F) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 6.9 shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these By-Laws, any agreement or vote of stockholders or Disinterested Directors, or otherwise. No repeal or modification of this Section 6.9 shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation hereunder in respect of any occurrence or matter arising prior to any such repeal or modification.

(G) The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware. To the extent that the Corporation maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in paragraph (H) of this Section 6.9, shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

(H) The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Section 6.9 with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(I) If any provision or provisions of this Section 6.9 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (1) the validity, legality and enforceability of the remaining provisions of this Section 6.9 (including, without limitation, each portion of any paragraph of this Section 6.9 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (2) to the fullest extent possible, the provisions of this Section 6.9 (including, without limitation, each such portion of any paragraph of this Section

6.9 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(J) For purposes of this Section 6.9:

(1) "Change in Control" means any of the following events:

(i) The acquisition in one or more transactions by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Exchange Act), other than the Clear Channel Entities, of beneficial ownership of shares representing at least a majority of the total voting power of the Voting Stock; or

(ii) Consummation by the Corporation, in a single transaction or series of related transactions, of (A) a merger or consolidation involving the Corporation if the stockholders of the Corporation immediately prior to such merger or consolidation do not own, directly or indirectly, immediately following such merger or consolidation, at least a majority of the total voting power of the outstanding voting securities of the entity resulting from such merger or consolidation or (B) a sale, conveyance, lease, license, exchange or transfer (for cash, shares of stock, securities or other consideration) of a majority or more of the assets or earning power of the Corporation.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to occur solely because a majority or more of the total voting power of the Voting Stock is acquired by (a) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Corporation or any of its subsidiaries or (b) any corporation that, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Corporation in the same proportion as their ownership of stock in the Corporation immediately prior to such acquisition.

(2) "Disinterested Director" means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(3) "Independent Counsel" means a law firm, a member of a law firm, or an independent legal practitioner, that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant's rights under this Section 6.9.

(K) Any notice, request or other communication required or permitted to be given to the Corporation under this Section 6.9 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary and shall be effective only upon receipt by the Secretary.

ARTICLE VII

CONTRACTS, PROXIES, ETC.

SECTION 7.1 **Contracts**. Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, any contracts or other instruments may be executed and delivered in the name and on the behalf of the Corporation by such officer or officers of the Corporation as the Board of Directors may from time to time specify. Such authority may be general or confined to specific instances as the Board of Directors may determine. The Chief Executive Officer or such other persons as the Board of Directors may authorize may execute bonds, contracts, deeds, leases and other instruments to be made or executed for or on behalf of the Corporation. Subject to any restrictions imposed by the Board of Directors, the Chief Executive Officer or such other persons as the Board of Directors may authorize may delegate contractual powers to others under his or her jurisdiction, it being understood, however, that any such delegation of power shall not relieve such person of responsibility with respect to the exercise of such delegated power.

SECTION 7.2 **Proxies**. Unless otherwise provided by resolution adopted by the Board of Directors, the Chief Executive Officer, the President or any Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes that the Corporation may be entitled to cast as the holder of stock or other securities in any other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed, in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper in the premises.

ARTICLE VIII

AMENDMENTS

SECTION 8.1 **Amendments**. These By-Laws may be altered, amended or repealed at any meeting of the Board of Directors or of the stockholders, provided that notice of the proposed change was given in the notice of the meeting; *provided, however,* that, in the case of amendments by the Board of Directors, notwithstanding any other provisions of these By-Laws or any provision of law that might otherwise permit a lesser vote or no vote, the affirmative vote of a majority of the members of the Board of Directors shall be required to alter, amend or repeal any provision of the By-Laws, or to adopt any new By-Law. Notwithstanding any other provision of these By-Laws or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by a Certificate of Designations, the affirmative vote of the holders of a majority of the total voting power of the Voting Stock, voting together as a single class, shall be required for the stockholders of the Corporation to alter, amend or repeal any provision of the By-Laws, or to adopt any new By-Law; *provided, however,* that the affirmative vote of the holders of at least 80% of the total voting power of the Voting

Stock, voting together as a single class, shall be required for the stockholders of the Corporation to alter, amend or repeal, or adopt any By-Law inconsistent with, the following provisions of these By-Laws: Sections 2.1, 2.2, 2.4, 2.5, 2.6, 2.8, 2.9 and 2.11 of ARTICLE II; Sections 3.1, 3.2, 3.9 and 3.12 of ARTICLE III; Section 6.9 of ARTICLE VI; and this Section 8.1 of ARTICLE VIII, or in each case, any successor provision (including, without limitation, any such article or section as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other By-Law).

Adopted as of December 21, 2005.

Exhibit 4.1

CCE SPINCO, INC.

AND

THE BANK OF NEW YORK

Rights Agreement

Dated as of December 21, 2005

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RIGHTS AGREEMENT

This Rights Agreement, dated as of December 21, 2005 (this "Agreement"), is by and between CCE Spinco, Inc., a Delaware corporation (the "Company"), and The Bank of New York, as rights agent (the "Rights Agent").

The Board of Directors of the Company has authorized and declared a dividend of one preferred share purchase right (a "Right") for each whole share of Common Stock, $.01 par value per share, of the Company (the "Common Stock") outstanding as of the Close of Business on December 21, 2005 (the "Record Date"), each Right representing the right to purchase one one-hundredth of a Preferred Share (as hereinafter defined), upon the terms and subject to the conditions herein set forth, and has further authorized and directed the issuance of one Right with respect to each share of Common Stock that becomes outstanding between the Record Date and the earliest of the Distribution Time, the Redemption Time and the Final Expiration Time (as such terms are hereinafter defined).

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" means any Person who or that becomes the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding, but shall not include any Excluded Person.

Notwithstanding the foregoing, no Person shall become an "Acquiring Person" as the result of an acquisition of shares of Common Stock by the Company that, by reducing the number of shares of Common Stock outstanding, increases the proportionate number of shares of Common Stock Beneficially Owned by such Person to 15% or more of the shares of Common Stock then outstanding; *provided, however,* that, if a Person shall become the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding by reason of share purchases by the Company and shall, after such share purchases by the Company, become the Beneficial Owner of any additional shares of Common Stock, then such Person shall be deemed to be an "Acquiring Person."

Notwithstanding the foregoing, if (i) the Board of Directors of the Company determines in good faith that a Person has become an "Acquiring Person," as defined pursuant to the foregoing provisions of this Section 1(a), inadvertently (including, without limitation, because (A) such Person was unaware that it Beneficially Owned a percentage of Common Stock that would cause such Person to be an "Acquiring Person" or (B) such Person was aware of the extent of its Beneficial Ownership of Common Stock but had no actual knowledge of the consequences of such Beneficial Ownership under this Agreement) and without any intention of changing control of the Company, (ii) such Person (or its Affiliates and Associates) divests a sufficient number of shares of Common Stock so that such Person would no longer be an "Acquiring Person," as defined pursuant to the foregoing provisions of this Section 1(a), and (iii) such determination is made and such divestment is completed prior to the time when the first

Right is distributed by the Rights Agent pursuant to Section 3(d), then such Person shall be deemed to not be an "Acquiring Person," and to never have become an "Acquiring Person," for all purposes of this Agreement (meaning, without limitation, that no Distribution Time shall occur and no adjustment pursuant to Section 11(a)(ii) or Section 13 shall be made in respect thereof); *provided, however,* that if such Person, after such determination and divestment, becomes the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding by reason of becoming the Beneficial Owner of any additional shares of Common Stock, then such Person shall be deemed to be an "Acquiring Person" unless a subsequent such determination and divestment is made.

(b) "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement.

(c) "Agreement" shall have the meaning set forth in the first paragraph hereof.

(d) "Associate," when used to indicate a relationship with any Person, means each, any and all of the following:

(i) any firm, corporation, limited liability company, partnership, joint venture, bank, trust or other entity of which such Person (A) is an officer or partner or (B) is, directly or indirectly, the Beneficial Owner of 10% or more of any class of equity securities; *provided, however,* that a firm, corporation, limited liability company, partnership, joint venture, bank, trust or other entity shall not be an "Associate" of a Person if such Person has reported Beneficial Ownership of the Common Stock of such firm, corporation, limited liability company, partnership, joint venture, bank, trust or other entity on Schedule 13G under the Exchange Act, but only if and for so long as: (1) such Person is the Beneficial Owner of less than 20% of such shares of Common Stock then outstanding, (2) such Person satisfies the criteria set forth in both Rule 13d-1(b)(1)(i) and Rule 13d-1(b)(1)(ii) of the General Rules and Regulations under the Exchange Act and (3) such Person has not reported and is not required to report such ownership on Schedule 13D under the Exchange Act;

(ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and

(iii) any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person.

(e) A Person shall be deemed the "Beneficial Owner" of, to "Beneficially Own" and have "Beneficial Ownership" of, any securities:

(i) that such Person, or any of such Person's Affiliates or Associates, beneficially owns, directly or indirectly;

(ii) that such Person, or any of such Person's Affiliates or Associates, has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time or the satisfaction of other conditions) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and

selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than these Rights), warrants or options, or otherwise; *provided, however,* that a Person shall not be deemed the Beneficial Owner of, to Beneficially Own, or have "Beneficial Ownership" of, any securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; or (B) the right to vote pursuant to any agreement, arrangement or understanding; *provided, however,* that a Person shall not be deemed the Beneficial Owner of, to Beneficially Own, or have "Beneficial Ownership" of, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report under or pursuant to the federal securities laws); or

(iii) that are beneficially owned, directly or indirectly, by any other Person with which such Person, or any of such Person's Affiliates or Associates, has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring (except to the extent contemplated by the proviso to Section 1(d)(ii)(A)), holding, voting (except to the extent contemplated by the proviso to Section 1(d)(ii)(B)) or disposing of any securities of the Company.

Notwithstanding anything in this definition of "Beneficial Owner" to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, means the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding that such Person would be deemed to own beneficially hereunder.

(f) "Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

(g) "Close of Business," on any given day, means 5:00 P.M., local time in New York, New York, on such day; *provided, however,* that, if such day is not a Business Day, it shall mean 5:00 P.M., local time in New York, New York, on the next succeeding Business Day.

(h) "Common Stock" shall have the meaning set forth in the second paragraph hereof.

(i) "Company" shall have the meaning set forth in the first paragraph hereof.

(j) "Company Entity" means, as the context may require, each, any and all of the following:

(i) the Company;

(ii) any Subsidiary of the Company;

(iii) any employee benefit plan of the Company or of any Subsidiary of the Company; or

(iv) any entity holding shares of Common Stock for or pursuant to the terms of any such employee benefit plan.

(k) "Distribution Time" means the Close of Business on the earlier of the following dates (including any such date that is after the Record Date and prior to the issuance of the Rights):

(i) the tenth day after the first date of public announcement (which, for purposes of this definition, includes, without limitation, a report filed pursuant to Section 13(d) under the Exchange Act) by the Company or an Acquiring Person (or any Affiliate or Associate of an Acquiring Person) (A) that a Person has become an "Acquiring Person" for purposes of this Agreement or (B) of the facts relating to the Beneficial Ownership of any securities by any Person that caused any Person to become an "Acquiring Person" for purposes of this Agreement; and

(ii) the tenth Business Day (or such later date as may be determined by action of the Board of Directors of the Company prior to such time as any Person becomes an Acquiring Person) after the date of the commencement by any Person (other than a Company Entity) of a tender or exchange offer, the consummation of which would result in any Person becoming an Acquiring Person.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Exchange Ratio" shall have the meaning set forth in Section 24(a).

(n) "Excluded Person" means, as the context may require, each, any and all of the following:

(i) each Company Entity; and

(ii) any Person who or that has reported Beneficial Ownership of Common Stock on Schedule 13G under the Exchange Act, but only if and for so long as: (A) such Person is the Beneficial Owner of less than 20% of the shares of Common Stock then outstanding, (B) such Person satisfies the criteria set forth in both Rule 13d-1(b)(1)(i) and Rule 13d-1(b)(1)(ii) of the General Rules and Regulations under the Exchange Act and (C) such Person has not reported and is not required to report such ownership on Schedule 13D under the Exchange Act.

(o) "Final Expiration Time" means the Close of Business on December 21, 2015.

(p) "Flip Over Event" means the occurrence of any one or more of the following events, directly or indirectly, at any time after a Person has become an Acquiring Person: (i) the Company consolidates with, or merges with and into, any other Person, (ii) any Person consolidates with the Company, or merges with and into the Company and the Company is the continuing or surviving corporation of such merger and, in connection with such merger, all or part of the shares of Common Stock are changed into or exchanged for stock or other securities

of any other Person (or the Company) or cash or any other property, or (iii) the Company (or one or more of its Subsidiaries) sells or otherwise transfers, in one or more transactions, assets or earning power aggregating 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any Person, other than a sale or transfer to the Company, to one or more of its wholly-owned Subsidiaries or to the Company and one or more of its wholly-owned Subsidiaries.

(q) "Flip Over Successor" means, as applicable, (i) the Person (which may be the Company) that is the issuer of the stock or other securities into which all or part of the shares of Common Stock are changed, or for which all or part of the shares of Common Stock are exchanged, in a merger or consolidation described in clause (i) of the definition of "Flip Over Event" or (ii) the Person to whom the assets or earning power of the Company (or one or more of its Subsidiaries) are sold or transferred in any one or more transactions described in clause (ii) of the definition of "Flip Over Event."

(r) "NYSE" means the New York Stock Exchange.

(s) "NASDAQ" means the National Association of Securities Dealers, Inc. Automated Quotation System.

(t) "Person" means any individual, firm, corporation, limited liability company, partnership, joint venture, bank, trust or other entity, and includes any successor (by merger or otherwise) of such entity.

(u) "Preferred Shares" means shares of Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company having the rights and preferences set forth in the Form of Certificate of Designation attached to this Agreement as *Annex A*.

(v) "Purchase Price" shall have the meaning set forth in Section 3(d).

(w) "Reclassified Shares" shall have the meaning set forth in Section 11(a)(i).

(x) "Record Date" shall have the meaning set forth in the second paragraph hereof.

(y) "Redemption Price" shall have the meaning set forth in Section 23(a).

(z) "Redemption Time" means the time at which the Rights are redeemed as provided in Section 23.

(aa) "Reduced Threshold" shall have the meaning set forth in Section 27.

(bb) "Right" shall have the meaning set forth in the second paragraph hereof.

(cc) "Right Certificate" shall have the meaning set forth in Section 3(d).

(dd) "Rights Agent" shall have the meaning set forth in the first paragraph hereof.

(ee) "Security" shall have the meaning set forth in Section 11(d)(i).

(ff) "Subsidiary" of any Person means any corporation, limited liability company, partnership, joint venture, bank, trust or other entity of which a majority of the voting power of the voting equity securities or equity interests is owned, directly or indirectly, by such Person.

(gg) "Trading Day" shall have the meaning set forth in Section 11(d)(ii).

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents as it may deem necessary or desirable.

Section 3. Issue of Right Certificates.

(a) Until the Distribution Time, each Right shall be evidenced solely by the Common Stock certificate that, from time to time, represents the share of Common Stock upon which the dividend of such Right was declared and paid, and not by a separate Right Certificate, and such Right shall be registered in the name of the record holder of such Common Stock certificate. Until the Distribution Time, (i) each Right shall be transferable only in connection with the transfer of the share of Common Stock upon which the dividend of such Right was declared and paid and (ii) the surrender for transfer of the certificate evidencing such share of Common Stock, and evidencing such Right, shall also constitute the surrender for transfer of such Right. Any reference hereinafter to a Right that is "associated with" a share of Common Stock (or any similar reference) refers to the Right that (A) was declared and paid as a dividend on such share of Common Stock and (B) is evidenced by the Common Stock certificate that represents such share of Common Stock.

(b) All certificates for shares of Common Stock that are issued by the Company on or after the Record Date but prior to the earliest of the Distribution Time, the Redemption Time or the Final Expiration Time shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

> This certificate also evidences and entitles the record holder hereof to certain rights as set forth in a Rights Agreement between CCE Spinco, Inc. and The Bank of New York, dated as of December 21, 2005, as it may be amended from time to time (the "Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of CCE Spinco, Inc. Under certain circumstances, as set forth in the Agreement, such Rights (as defined in the Agreement) will be evidenced by separate certificates and will no longer be evidenced by this certificate. CCE Spinco, Inc. will mail to the record holder of this certificate a copy of the Agreement without charge after receipt of a written request therefor. As set forth in the Agreement, Rights Beneficially Owned by any Person who becomes an Acquiring Person, or by any Affiliate or Associate of such Acquiring Person, become immediately null and void (all such capitalized terms having the meanings ascribed thereto in the Agreement).

(c) In the event that the Company purchases, acquires or redeems any shares of Common Stock after the Record Date but prior to the Distribution Time, any Rights associated with such shares of Common Stock shall be deemed cancelled and retired so that no Person shall be entitled to exercise any Rights associated with shares of Common Stock that are no longer outstanding.

(d) As soon as practicable after the Distribution Time, a Right Certificate, in the form described in Section 4 (a "Right Certificate"), shall be prepared, executed and countersigned in accordance with Section 5 and delivered by the Rights Agent to each record holder of shares of Common Stock as of the Distribution Time, each Right Certificate evidencing one Right for each share of Common Stock held of record by such record holder as of such time. From and after the Distribution Time, each Right shall be evidenced solely by a Right Certificate and shall not thereafter be evidenced by the certificate representing the share of Common Stock that was theretofore associated with such Right or by any other Common Stock certificate or otherwise. Subject to the provisions of Section 6, from and after the Distribution Time, the Rights, and the Right Certificates evidencing the Rights, shall be separately transferable without regard to the transfer of the share of Common Stock that was theretofore associated with such Right or the Common Stock certificate representing such share. Subject to the provisions of Section 7, each Right Certificate shall entitle the registered holder thereof to exercise the Rights represented thereby to purchase such number of one one-hundredths of a Preferred Share as shall be set forth therein at the price per one one-hundredth of a Preferred Share set forth therein (the "Purchase Price"), but the number and class of securities receivable upon exercise and the Purchase Price shall be subject to adjustment as provided herein.

Section 4. Form of Right Certificates. The Right Certificates (and the forms of election to purchase Preferred Shares and of assignment to be printed on the reverse thereof) shall be substantially the same as *Annex B* hereto, and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any applicable rule or regulation made pursuant thereto or with any applicable rule or regulation of any stock exchange or the National Association of Securities Dealers, Inc., or to conform to usage.

Section 5. Countersignature and Registration. Each Right Certificate to be issued, or reissued, pursuant to this Agreement shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its President, any of its Vice Presidents or its Treasurer, either manually or by facsimile signature, shall have affixed thereto the Company's seal (if any) or a facsimile thereof, and shall be attested by the Secretary or any Assistant Secretary of the Company, either manually or by facsimile signature. Each such Right Certificate shall be manually countersigned by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who signs any of the Right Certificates ceases to be such officer of the Company before countersignature by the Rights Agent, such Right Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the individual who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any individual who, at the actual date of the execution of such Right Certificate, is a proper officer of the Company to sign such

Right Certificate, although any such individual was not such an officer at the date of the execution of this Agreement.

Following the Distribution Time, the Rights Agent shall keep or cause to be kept, at its office designated for such purposes, books or electronic records for registration of ownership and transfer of the Right Certificates issued hereunder. Such books or electronic records shall show the names and addresses of the respective registered holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the date of each of the Right Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Right Certificates; Lost, Stolen, Destroyed or Mutilated Right Certificates.

(a) Subject to the provisions of Section 14(a), at any time and from time to time prior to the earlier of the Redemption Time and the Final Expiration Time, any Right Certificate may be transferred, split up, combined with or exchanged for another Right Certificate or Right Certificates evidencing, in the aggregate, a like number of Rights as the Right Certificate or Right Certificates surrendered; *provided*, *however*, that any such reissued Right Certificate or Right Certificates shall not evidence any Rights that have become null and void pursuant to Section 11(a)(ii) or that have been exchanged pursuant to Section 24. Any registered holder of a Right Certificate desiring to transfer, split up, combine or exchange such Right Certificate shall (i) properly complete and duly execute the certificate contained in the form of assignment on the reverse side of such Right Certificate, (ii) surrender such Right Certificate to the Rights Agent, at the office of the Rights Agent designated for such purpose, together with a written request specifying the transfer, split up, combination or exchange that such registered holder desires, (iii) pay, by certified check, cashier's check or money order payable to the order of the Company, an amount equal to any applicable transfer tax required to be paid by the registered holder of such Right Certificate in accordance with Section 9(b) and (iv) provide the Company and the Rights Agent with such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) of the Rights evidenced by such Right Certificate, or the Affiliates or Associates thereof, as the Company or the Rights Agent may reasonably request. Thereupon, the new Right Certificate or Right Certificates, as the case may be, to be issued upon such transfer, split up, combination or exchange shall be prepared, executed and countersigned in accordance with Section 5 and delivered by the Rights Agent to the Person or Persons entitled thereto, as so requested.

(b) Any time and from time to time prior to the earlier of the Redemption Time and the Final Expiration Time, any Right Certificate that is lost, stolen, destroyed or mutilated may be replaced by another Right Certificate of like tenor; *provided*, *however*, that any such replacement Right Certificate shall not evidence any Rights that have become null and void pursuant to Section 11(a)(ii) or that have been exchanged pursuant to Section 24. Any registered holder desiring to so replace any such Right Certificate shall deliver to the Rights Agent, at the office of the Rights Agent designated for such purpose, and the Company (i) evidence reasonably satisfactory to each of them of the loss, theft, destruction or mutilation of such Right Certificate, (ii) in case of loss, theft or destruction, such indemnity or security as may be reasonably satisfactory to each of them, (iii) in case of mutilation, the Right Certificate so mutilated (which shall thereupon be cancelled by the Rights Agent), (iv) at the Company's request, reimbursement

to the Company and the Rights Agent of all reasonable expenses incidental to the issuance of such replacement Right Certificate and (v) such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) of the Rights evidenced by such lost, stolen, destroyed or mutilated Right Certificate, or the Affiliates or Associates thereof, as the Company or the Rights Agent may reasonably request. Thereupon, the replacement Right Certificate shall be prepared, executed and countersigned in accordance with Section 5 and delivered by the Rights Agent to the registered holder thereof.

Section 7. Exercise of Rights; Purchase Price.

(a) At any time after the distribution of Right Certificates pursuant to Section 3(d) and prior to the earlier of the Redemption Time and the Final Expiration Time, any registered holder of a Right Certificate may exercise all or any portion of the Rights represented thereby other than Rights that have become null and void pursuant to Section 11(a)(ii) or that have been exchanged pursuant to Section 24. Any registered holder desiring to exercise all or any portion of the valid and exercisable Rights evidenced by any such Right Certificate shall (i) properly complete and duly execute the form of election to purchase on the reverse side of such Right Certificate, (ii) surrender such Right Certificate to the Rights Agent, at the office of the Rights Agent designated for such purpose, (iii) pay, by certified check, cashier's check or money order payable to the order of the Company, the Purchase Price for the securities as to which such Rights are being exercised together with an amount equal to any applicable transfer tax required to be paid by the registered holder of such Right Certificate in accordance with Section 9(b) and (iv) provide the Company and the Rights Agent with such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) of the Rights evidenced by such Right Certificate, or the Affiliates or Associates thereof, as the Company or the Rights Agent may reasonably request.

(b) The Purchase Price for each one one-hundredth of a Preferred Share purchasable pursuant to the exercise of a Right shall initially be $80.00, and shall be subject to adjustment from time to time as provided in Section 11 and 13, and shall be payable in lawful money of the United States of America in accordance with Section 7(c).

(c) Upon the full satisfaction by a registered holder of a Right Certificate of the requirements set forth in Section 7(a), the Rights Agent shall promptly (i) as appropriate, (A) requisition from any transfer agent of the Preferred Shares certificates for the number of Preferred Shares to be purchased, and the Company hereby irrevocably authorizes any such transfer agent to comply with all such requests, (B) requisition from the depositary agent depositary receipts representing such number of one one-hundredths of a Preferred Share as are to be purchased (in which case certificates for the Preferred Shares represented by such receipts shall be deposited by the transfer agent of the Preferred Shares with such depositary agent), and the Company hereby directs such depositary agent to comply with all such requests; or (C) requisition from any transfer agent of any other securities that may be issuable upon exercise of the Rights (pursuant to Section 11 or Section 13) certificates for the number of such securities to be purchased, and the Company hereby irrevocably authorizes any such transfer agent to comply with all such requests; (ii) when appropriate, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 14; (iii) promptly after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in the name of such Person

or Persons as may be designated by such holder; and (iv) promptly after receipt of such cash to be paid in lieu of issuance of fractional shares, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate.

(d) If the registered holder of any Right Certificate exercises less than all the Rights evidenced thereby, a new Right Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be prepared, executed and countersigned in accordance with Section 5 and delivered by the Rights Agent to the registered holder thereof.

Section 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered to the Company or to any of its agents for the purpose of exercise, transfer, split up, combination, exchange or replacement shall be delivered to the Rights Agent for cancellation and all such Right Certificates surrendered to the Rights Agent in cancelled form shall be cancelled by it, and no Right Certificates shall be issued in substitution therefor except as expressly permitted by Section 6 or Section 7(d). The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or acquired by the Company. The Rights Agent shall deliver all cancelled Right Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Right Certificates, and, in such case, shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation of Shares; Taxes.

(a) The Company covenants and agrees that it will cause to be reserved and kept available out of its authorized and unissued Preferred Shares (or other securities issuable upon exercise of Rights), or Preferred Shares (or such other securities) held in its treasury, the number of Preferred Shares (or such other securities) that will be sufficient to permit the exercise in full of all outstanding Rights in accordance with Section 7. The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Shares or other securities delivered upon exercise of Rights shall, at the time of delivery of the certificates therefor (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable shares.

(b) The Company further covenants and agrees that it will pay, when due and payable, any and all federal and state transfer taxes and charges that may be payable in respect of the issuance or delivery of the Right Certificates following the Distribution Time or the issuance and delivery of the certificates or depositary receipts for Preferred Shares, or other securities or property, issuable upon exercise of the Rights. The Company shall not, however, be required to pay any transfer tax that may be payable in respect of any transfer or delivery of any such Right Certificate, certificate or depositary receipt for Preferred Shares or other security or property to, or in the name of, any Person other than the registered holder of the Right Certificate surrendered for such transfer or exercise. Until any such tax is paid to the Company (any such tax being payable by the registered holder of such Right Certificate at the time of surrender) or until it has been established to the Company's reasonable satisfaction that no such tax is due, the Company shall have no obligation to, and shall not, issue or deliver any such Right Certificate or any such certificates or depositary receipts for Preferred Shares or other securities or property issuable upon the exercise of any Rights.

Section 10. Shares Record Date. Each Person in whose name any certificate for Preferred Shares (or other securities for which the Rights may be exercisable) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Preferred Shares (or such other securities) represented thereby on, and such certificate shall be dated, the date on which the Right Certificate evidencing the Rights so exercised was duly surrendered and payment of the Purchase Price therefor (and any applicable transfer taxes) was made; *provided, however,* that, if the date of such surrender and payment is a date on which the stock transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the stock transfer books of the Company are open.

Section 11. Adjustment of Purchase Price, Number of Shares or Number of Rights. The Purchase Price, the number and kind of shares of capital stock issuable upon the exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) If the Company, at any time after the Record Date, declares a dividend on the Preferred Shares payable in Preferred Shares or subdivides the outstanding Preferred Shares into a larger number of Preferred Shares, the Purchase Price shall be proportionately decreased and the number of Preferred Shares that shall be issued upon the exercise of a Right pursuant to Section 7 shall be proportionately increased. If the Company, at any time after the Record Date, combines the outstanding Preferred Shares into a small number of Preferred Shares, the Purchase Price shall be proportionately increased and the number of Preferred Shares that shall be issued upon the exercise of a Right pursuant to Section 7 shall be proportionately decreased. Such adjustments shall be effective as of the record date for any such dividend or as of the effective time of any such subdivision or combination.

If the Company, at any time after the Record Date, issues any shares of its capital stock in a reclassification of the Preferred Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), each Right shall thereafter entitle its holder to purchase (in lieu of Preferred Shares, or any fraction of a Preferred Share, or any other securities that such Right previously entitled its holder to purchase), upon the exercise of such right pursuant to Section 7, the number of such shares of capital stock issued in such reclassification as a holder of the number of Preferred Shares (or fraction of a Preferred Share) for which such Right entitled its holder to purchase immediately prior to such reclassification would have received in respect of such Preferred Shares in the reclassification (the "Reclassified Shares") and the Purchase Price payable for each such Reclassified Share, upon the exercise of a Right pursuant to Section 7, shall thereafter be adjusted to be an amount equal to the aggregate Purchase Price payable upon the full exercise of such Right immediately prior to such reclassification divided by the aggregate number of Reclassified Shares for which such Right entitles its holder to purchase immediately following such adjustment pursuant to this Section 11(a)(i).

Notwithstanding anything to the contrary in this Section 11(a)(i), in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon the exercise of one Right.

(ii) If, at any time after the Record Date, any Person becomes an Acquiring Person, each Right (other than a Right that has become null and void pursuant to the second paragraph hereof) shall thereafter entitle its holder to purchase (in lieu of Preferred Shares, or any fraction of a Preferred Share, or any other securities that such Right previously entitled its holder to purchase), upon the exercise of such right pursuant to Section 7, the number of shares of Common Stock that equals the result obtained by dividing (a) the aggregate Purchase Price payable upon the full exercise of such Right immediately prior to such Person becoming an Acquiring Person by (b) 50% of the current per share market price of the Common Stock (determined pursuant to Section 11(d)) on the date on which such Person became an Acquiring Person, and the Purchase Price payable for each such share of Common Stock, upon the exercise of a Right pursuant to Section 7, shall thereafter be adjusted to be an amount equal to the aggregate Purchase Price payable upon the full exercise of such Right immediately prior to such Person becoming an Acquiring Person divided by the aggregate number of shares of Common Stock for which such Right entitles its holder to purchase immediately following such adjustment pursuant to this Section 11(a)(ii). Except as otherwise provided in Section 23, in the event that any Person becomes an Acquiring Person and the Rights are then outstanding, the Company shall not take any action that would eliminate or diminish the benefits intended to be afforded by the Rights.

From and after the time that any Person becomes an Acquiring Person, all Rights that are Beneficially Owned, and all Rights that may thereafter be acquired or Beneficially Owned, by such Acquiring Person (or any Associate or Affiliate of such Acquiring Person) shall be null and void without any further action on the part of the Company or any other Person. Neither such Acquiring Person, nor any Associate or Affiliate of such Acquiring Person, nor any other subsequent holder of such nullified and voided Rights shall thereafter have any right to exercise such nullified and voided Rights under any provision of this Agreement. No Right Certificate shall be issued, or re-issued, pursuant to any provision of this Agreement evidencing any such nullified and voided Rights. The Rights Agent shall cancel any Right Certificate delivered to it for any purpose to the extent that such Right Certificate evidences such nullified and voided Rights. The Rights Agent shall cancel any Right Certificate delivered to it for transfer to the extent that the Rights evidenced thereby are requested to be transferred to any Acquiring Person (or any Associate or Affiliate of an Acquiring Person).

(iii) In the event that there are not sufficient shares of Common Stock issued that are either issued but not outstanding or authorized but not issued to permit the exercise in full of the Rights following any adjustment pursuant to Section 11(a)(ii), the Company shall take all such action as may be necessary to authorize such number of additional shares of Common Stock to provide for the full issuance of shares of Common Stock required to be issued upon the exercise of all of the Rights. In the event the Company, after good faith effort, is unable to take all such action as may be necessary to authorize such additional shares of Common Stock, the Company shall substitute, for each share of Common Stock that would otherwise be issuable upon exercise of a Right, such number of Preferred Shares (or such fraction of a Preferred Share) as shall have a current per share market price equal to the current per share market price of one share of Common Stock as of the date of issuance of such Preferred Shares (or such fraction of a Preferred Share).

(b) In case the Company fixes a record date for the issuance of rights, options or warrants to all holders of Preferred Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Shares (or shares having the same rights, privileges and preferences as the Preferred Shares ("equivalent preferred shares")) or securities convertible into Preferred Shares or equivalent preferred shares at a price per Preferred Share or equivalent preferred share (or having a conversion price per share, if a security convertible into Preferred Shares or equivalent preferred shares) less than the then current per share market price of the Preferred Shares (as defined in Section 11(d)) on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares outstanding on such record date plus the number of Preferred Shares that the aggregate offering price of the total number of Preferred Shares and/or equivalent preferred shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current market price and the denominator of which shall be the number of Preferred Shares outstanding on such record date plus the number of additional Preferred Shares and/or equivalent preferred shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); *provided, however,* that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights. Preferred Shares owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and, in the event that such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price that would then be in effect if such record date had not been fixed.

(c) In case the Company fixes a record date for the making of a distribution to all holders of the Preferred Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend or a dividend payable in Preferred Shares) or subscription rights or warrants (excluding those referred to in Section 11(b)), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then-current per share market price of the Preferred Shares on such record date, less the fair market value (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and holders of the Rights) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Share and the denominator of which shall be such then-current per share market price of the Preferred Shares on such record date; *provided, however,* that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company to be issued upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed;

and, in the event that such distribution is not so made, the Purchase Price shall again be adjusted to be the Purchase Price that would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per share market price" of any security (each, a "Security" for the purpose of this Section 11(d)), on any date shall be deemed to be the average of the daily closing prices per share of such Security for the 30 consecutive Trading Days immediately prior to such date.

In the event that (1) the current per share market price of any Security is determined following the announcement by the issuer of such Security of (x) a dividend or distribution on such Security payable in shares of such Security or Securities convertible into such shares or (y) any subdivision, combination or reclassification of such Security, and (2) the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, is a Trading Day on which the closing price per share of such Security is used for purposes of any calculation of "current per share market price" under this Section 11(d), then, and in each such case, the "current per share market price" shall be appropriately adjusted to reflect the current market price per share equivalent of such Security.

(ii) For any Trading Day, the closing price of a Security that is listed or admitted to trading on any national securities exchange shall be the last sale price, regular way, reported at or prior to 4:00 P.M. Eastern time on such Trading Day or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, reported as of 4:00 P.M. Eastern time on such Trading Day. Such last sale price or such closing bid and asked prices, as applicable, shall be (a) if the Security is listed or admitted to trading on the NYSE, as reported in the principal consolidated transaction reporting system for the NYSE and (b) if the Security is not listed or admitted to trading on the NYSE, as reported in the principal consolidated transaction reporting system for the principal national securities exchange on which the Security is listed or admitted to trading.

For any Trading Day, the closing price of a Security that is not listed or admitted to trading on any national securities exchange and that is quoted by NASDAQ, or such other system then in use, shall be the last quoted price reported at or prior to 4:00 P.M. Eastern time on such Trading Date by NASDAQ, or such other system, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, reported as of 4:00 P.M. Eastern time on such Trading Day by NASDAQ, or such other system.

For any Trading Day, the closing price of a Security that is neither listed or admitted to trading on any national securities exchange nor quoted by NASDAQ, or such other system then in use, shall be (x) the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security, such market maker as selected by the Board of Directors of the Company, or (y) if on any such date no such market maker is making a market in the Securities, the fair value of such Security on such date as determined in good faith by the Board of Directors of the Company.

The term "Trading Day" means a day on which the principal national securities exchange on which the Securities are listed or admitted to trading is open for the transaction of business,

or, if the Securities are not listed or admitted to trading on any national securities exchange, a Business Day.

(iii) If the Preferred Shares are publicly traded, the "current per share market price" of the Preferred Shares shall be determined in accordance with the method set forth in Section 11(d)(i) and Section 11(d)(ii).

If the Preferred Shares are not publicly traded, the "current per share market price" of the Preferred Shares shall be conclusively deemed to be the product of the current per share market price of the shares of Common Stock, as determined pursuant to Section 11(d)(i) and Section 11(d)(ii), multiplied by the Market Value Ratio. The "Market Value Ratio" shall initially be one hundred (100) and shall be adjusted, in the event that the Company at any time declares or pays any dividend on the Common Stock payable in shares of Common Stock, or effects a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, by multiplying the Market Value Ratio theretofore in effect by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

If neither the shares of Common Stock nor the Preferred Shares are publicly held or so listed or traded, "current per share market price" means the fair value per share as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights.

(e) No adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; *provided, however,* that any adjustments that by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one one-millionth of a Preferred Share or one ten-thousandth of any other share or security as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three years from the date of the transaction or event that requires such adjustment and (ii) the Expiration Time.

(f) If, as a result of an adjustment made pursuant to Section 11(a), the holder of any Right becomes entitled to receive, upon exercise of such Right, any shares of capital stock of the Company other than Preferred Shares (or a fraction of a Preferred Share), thereafter the number of such other shares so receivable upon exercise of such Right shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Section 11(a) through (c), inclusive, and the provisions of Sections 7, 9, 10 and 13 with respect to the Preferred Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company after any adjustment made to the Purchase Price hereunder, or after any adjustment in the number of one one-hundredths of a

Preferred Share or other securities issuable upon the exercise of the Rights, shall evidence the right to purchase, at the adjusted Purchase Price, such adjusted number of one one-hundredths of a Preferred Share or other securities that are purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Irrespective of any adjustment or change in the Purchase Price or in the number of one one-hundredths of a Preferred Share or other securities issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price and the number of one one-hundredths of a Preferred Share that were expressed in the initial Right Certificates issued hereunder.

(i) The Company may elect, on or after the date of any adjustment of the Purchase Price, to adjust the number of Rights in substitution for any adjustment in the number of one one-hundredths of a Preferred Share purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-hundredths of a Preferred Share for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates to be so distributed shall be issued, executed and countersigned in the manner provided for herein, and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Unless the Company exercises its election as provided in Section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Section 11(b) and Section 11(c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one one-hundredths of a Preferred Share (calculated to the nearest one one-millionth of a Preferred Share) obtained by (A) multiplying (x) the number of one one-hundredths of a share covered by a Right immediately prior to this adjustment by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (B) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the aggregate par value, if any, of the securities issuable upon the exercise of one Right, the Company shall take any corporate action that may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable Preferred Shares or other securities at such adjusted Purchase Price.

(l) In any case in which this Section 11 requires that an adjustment in the Purchase Price, or the number of one one-hundredths of a Preferred Share or other securities issuable upon the exercise of the Rights, be made effective as of a record date for a specified event, the Company may elect to defer, until the occurrence of the event requiring such adjustment, the issuance to the holder of any Right exercised after such record date of the number of one one-hundredths of a Preferred Share or other securities, if any, issuable upon such exercise over and above the number of one one-hundredths of a Preferred Share or other securities, if any, issuable upon such exercise immediately prior to such adjustment; *provided, however,* that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to reduce the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that the Company, in its sole discretion, determines is advisable such that any consolidation or subdivision of the Preferred Shares, issuance wholly for cash of any Preferred Shares at less than the current market price, issuance wholly for cash of Preferred Shares or securities that by their terms are convertible into or exchangeable for Preferred Shares, dividends on Preferred Shares payable in Preferred Shares or issuance of rights, options or warrants referred to in Section 11(b), hereafter made by the Company to holders of the Preferred Shares shall not be taxable to such stockholders.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made, or any event affecting the Rights or their exercisability (including, without limitation, any event that causes any Rights to become null and void) occurs, as provided in Section 11 or Section 13, the Company shall promptly (a) prepare a certificate setting forth such adjustment, if any, and a brief statement describing the facts accounting for any such adjustment or relating to any such event, (b) file a copy of such certificate with the Rights Agent, the Securities and Exchange Commission and each transfer agent for the shares of Common Stock, for the Preferred Shares and for any other class or series of securities that would be issuable upon any exercise of the Rights and (c) if such adjustment occurs at any time after the Distribution Time, mail a brief summary thereof to each registered holder of a Right Certificate in accordance with Section 25. Notwithstanding the foregoing sentence, the failure of the Company to prepare such certificate, to file such certificate as and when required or to provide a summary of such certificate to each registered holder of a Right Certificate shall not affect the validity of any such adjustment or the force or effect of the requirement for such adjustment or affect, or relieve any Person from, the consequences of any such event pursuant to the terms of this Agreement. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment or statement contained therein and shall have no duty or liability with respect to, and shall not be deemed to have knowledge of, such adjustment or event unless and until it receives such certificate.

Section 13. Flip Over Events. From and after the effective time of any Flip-Over Event, (a) each Right (other than a Right that has become null and void pursuant to Section 11(a)(ii) or that has been exchanged pursuant to Section 24) shall thereafter represent the right to purchase, when exercisable pursuant to Section 7 and upon payment of the aggregate Purchase Price theretofore payable upon the full exercise of such Right and in lieu of the number of Preferred Shares, or fraction of a Preferred Share, for which such Right was previously exercisable, such number of shares of Common Stock of the Flip Over Successor that equals the result obtained by dividing such aggregate Purchase Price by 50% of the current per share market price of the Common Stock of such Flip Over Successor (determined pursuant to Section 11(d)) on the date of consummation of the Flip Over Event; (b) the Flip Over Successor shall thereafter be liable for, and shall assume, by virtue of consummated such Flip Over Event, all the obligations and duties of the Company pursuant to this Agreement; (c) the term "Company" shall thereafter be deemed to refer to the Flip Over Successor; and (d) the Flip Over Successor shall take such actions (including, but not limited to, the reservation of a sufficient number of its shares of Common Stock in accordance with Section 9 and Section 11(f)) in connection with the consummation of such Flip Over Event as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to the shares of Common Stock of the Flip Over Successor thereafter deliverable upon the exercise of the Rights. The Company shall not consummate any Flip Over Event unless, prior thereto, the Company and the Person that becomes the Flip Over Successor have executed and delivered to the Rights Agent a supplemental agreement providing for, and legally binding such Flip Over Successor to take, the actions required by clause (d) of the preceding sentence. The Company shall not consummate any Flip Over Event (or enter into any binding agreement with respect thereto) at any time when rights, warrants, instruments or securities are outstanding, or any agreements or arrangements are in force, that would eliminate or substantially diminish the benefits intended to be afforded by the Rights upon the consummation of such Flip Over Event. The provisions of this Section 13 shall similarly apply to successive Flip Over Events.

Section 14. Fractional Rights and Fractional Shares.

(a) Each Right Certificate distributed by the Company, or re-issued by the Company pursuant to Section 6 or Section 7(d), shall evidence solely a whole Right or a whole number of Rights. In lieu of any fraction of a Right that would otherwise be evidenced by a Right Certificate, the Company shall pay to the registered holder of such Right Certificate an amount, in cash, equal to such fraction multiplied by the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights (as determined pursuant to Section 11(d)) for the Trading Day immediately prior to the date on which the Right Certificate that would otherwise have evidenced such fraction of a Right was issued.

(b) The number of Preferred Shares to be issued by the Company to any Person upon the exercise of any Rights, if not an integral multiple of one one-hundredth of a Preferred Share, shall be rounded down to the nearest one one-hundredth of a Preferred Share. In lieu of any fraction of a Preferred Share that would otherwise be issued by the Company upon the exercise of any Rights, the Company shall pay to the registered holder of the Right Certificate evidencing such Rights an amount, in cash, equal to such fraction multiplied by the current market value of a whole Preferred Share. For the purposes of this Section 14(b), the current market value of a

whole Preferred Share shall be the closing price of a whole Preferred Share (as determined pursuant to Section 11(d)) for the Trading Day immediately prior to the date of such exercise.

(c) Fractions of Preferred Shares in integral multiples of one one-hundredth of a Preferred Share may, at the election of the Company, be evidenced by depositary receipts pursuant to an appropriate agreement between the Company and a depositary selected by it; provided that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as Beneficial Owners of the Preferred Shares represented by such depositary receipts.

(d) The holder of a Right, by the acceptance of such Right, expressly waives such holder's right to receive a Right Certificate evidencing any fraction of a Right or a fraction of a Preferred Share, other than an integral multiple of one one-hundredth of a Preferred Share, upon the exercise of any Right.

Section 15. Rights of Action. All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent hereunder, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Time, the respective record holders of the shares of Common Stock). Any registered holder of a Right Certificate (or, prior to the Distribution Time, any record holder of a share of Common Stock), without the consent of the Rights Agent or any other registered holder of a Right Certificate (or, prior to the Distribution Time, any other record holder of a share of Common Stock), may, on such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company or the Rights Agent to enforce, or otherwise act in respect of, such holder's right to exercise the Rights (whether or not then exercisable) evidenced by such Right Certificate (or, prior to the Distribution Time, by such share of Common Stock) in the manner provided in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, the Company and the Rights Agent specifically acknowledge that each holder of Rights would not have an adequate remedy at law for any breach by the Company or the Rights Agent of this Agreement, and shall be entitled to specific performance of the obligations of the Company and the Rights Agents under this Agreement, and injunctive relief against actual or threatened violations thereof.

Section 16. Agreement of Right Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Time, the Rights will be transferable only in connection with the transfer of the respective shares of Common Stock to which they are associated;

(b) after the Distribution Time, the Rights will be represented solely by Right Certificates and such Right Certificates will be transferable only on the registry books of the Rights Agent and only following full compliance by the registered holder thereof with the provisions of Section 6(a); and

(c) the Company and the Rights Agent may deem and treat the registered holder of any Right Certificate (or, prior to the Distribution Time, any certificate representing a share of

Common Stock) as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or other writing on any such Right Certificate or Common Stock certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

Section 17. Rights Holder Not Deemed a Stockholder. No holder of any Right or Rights (whether evidenced by a Right Certificate or, prior to the Distribution Time, a certificate representing shares of Common Stock), as such, shall be entitled to vote, receive dividends or be deemed for any purpose to be the holder of the Preferred Shares or any other securities of the Company that may at any time be issuable upon the exercise of such Right or Rights, nor shall anything contained herein or in any Right Certificate be construed to confer upon any such holder of any Right or Rights, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25), or to receive dividends or subscription rights, or otherwise, until such Right or Rights have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent. The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder, and, on demand of the Rights Agent from time to time, its reasonable expenses, counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Company agrees to also indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense incurred by the Rights Agent, without negligence or willful misconduct on the part of the Rights Agent, for anything done or omitted to be done by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claim made hereunder or with respect hereto.

The Rights Agent shall be protected and shall incur no liability for, or in respect of any action taken, suffered or omitted to be taken by it in connection with, its administration of this Agreement in reliance upon any Right Certificate, certificate for the Preferred Shares, Common Stock or other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons, or otherwise upon the advice of counsel as set forth in Section 20.

Section 19. Merger or Consolidation or Change of Name of Rights Agent. Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any Person succeeding to the stock transfer business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided that such Person is then eligible for appointment as a successor Rights Agent under the provisions of Section 21. In case at the time such successor

Rights Agent succeeds to the agency created by this Agreement, any of the Right Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and, in case at that time any of the Right Certificates have not been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in its own name as the successor Rights Agent; and, in all such cases, such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement. In case at any time the name of the Rights Agent is changed, any of the Right Certificates have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver such Right Certificates so countersigned; and, in case at that time any of the Right Certificates have not been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and, in all such cases, such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes to perform only the duties and obligations expressly imposed by this Agreement (and no implied duties or obligations) and only upon the following terms and conditions, by all of which the Company and the holders of Rights, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted to be taken by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to the Rights Agent taking, suffering to be taken or omitting to take any action hereunder, such fact or matter (unless other evidence in respect thereof is herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent to take, suffer to be taken or omit to take such action under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder to the Company and any other Person only for its own negligence or willful misconduct; *provided, however,* that the Rights Agent shall not be liable for special, consequential, indirect or punitive damages.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Right Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except the

countersignature by the Rights Agent thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Right Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 11(a)(ii)) or any adjustment in the terms of the Rights (including the form by which the Rights are evidenced, the manner or method of exercising the Rights, the exercise price thereof, or the securities or other property for which the Rights may be exercised or for which they may be redeemed or into which they may be exchanged, as the case may be) provided for in Sections 3, 11, 13, 23 or 24, or the ascertaining of the existence of facts that would require any such change or adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after receipt by the Rights Agent of a certificate furnished pursuant to Section 12 describing such change or adjustment, upon which the Rights Agent may rely); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares (or, if applicable, shares of Common Stock or other securities) to be issued pursuant to this Agreement or any Right Certificate or as to whether any Preferred Shares (or, if applicable, shares of Common Stock or other securities) will, when issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Secretary or the Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken, suffered or omitted to be taken by it in accordance with instructions of any such officer or for any delay in acting while waiting for those instructions. Any application by the Rights Agent for written instructions from the Company may, at the option of the Rights Agent, set forth in writing any action proposed to be taken, suffered or omitted to be taken by the Rights Agent under this Agreement and the date on and/or after which such action shall be taken or suffered or such omission shall be effective. The Rights Agent shall not be liable for any action taken, suffered or omitted to be taken by it in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five Business Days after the date any officer of the Company actually receives such application, unless any such officer consents in writing to an earlier date) unless, prior to taking any such action (or the effective date in the case of an omission), the Rights Agent receives written instructions in response to such application reasonably specifying the action to be taken, suffered or omitted.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other legal entity.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company resulting from any such act, default, neglect or misconduct, provided that reasonable care was exercised in the selection and continued employment thereof.

(j) If, with respect to any Right Certificate surrendered to the Rights Agent for exercise, transfer, split up, combination or exchange, the registered holder thereof fails to properly complete and duly exercise the form of election to purchase or the form of assignment on the reverse side of such Right Certificate or such registered holder fails to comply in any other respect with the requirements set forth in Section 7 with respect to the exercise of Rights or the requirements set forth in Section 6 with respect to the transfer, split up, combination, exchange or replacement of Right Certificates, the Rights Agent shall not take any further action with respect to such request for exercise, transfer, split up, combination, exchange or replacement, without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign, and be discharged from its duties under this Agreement, upon 30 days' prior notice in writing mailed to the Company and to each transfer agent for the shares of Common Stock, for the Preferred Shares and for any other class or series of securities that would be issuable upon any exercise of the Rights by registered or certified mail, and to each holder of a Right by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' prior notice in writing, mailed to the Rights Agent or any such successor Rights Agent, as the case may be, and to each transfer agent for the shares of Common Stock, for the Preferred Shares and for any other class or series of securities that would be issuable upon any exercise of the Rights by registered or certified mail, and to each holder of a Right by first-class mail. If the Rights Agent resigns or is removed or otherwise becomes incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company fails to make such appointment within 30 days after giving the Rights Agent notice of such removal or after the Company has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by any holder of a Right (which registered holder shall, with such notice, submit all Right Certificates held by such holder (or, prior to the Distribution Time, all certificates representing shares of Common Stock held by such holder)) for inspection by the Company), then any holder of a Right may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a (i) Person organized, in good standing and doing business under the laws of the United States or any state of the United States that is authorized under such laws to exercise corporate trust or stock transfer powers and is subject to supervision or examination by federal or state authority and that has, at the time of its appointment as Rights Agent, a combined capital and surplus of at least $50 million or (ii) an Affiliate of such Person. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent

and each transfer agent for the shares of Common Stock, for the Preferred Shares and for any other class or series of securities that would be issuable upon any exercise of the Rights, and mail a notice thereof in writing to each holder of a Right. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by the Board of Directors of the Company to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Agreement.

Section 23. Redemption.

(a) The Board of Directors of the Company may, at its option, at any time prior to the Distribution Time, redeem all, but not less than all, of the then outstanding Rights at a redemption price of $.01 per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). The redemption of the Rights by the Board of Directors of the Company may be made effective at such time, on such basis and with such conditions as the Board of Directors of the Company, in its sole discretion, may establish.

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights pursuant to Section 23(a), and without any further action and without any notice, the right to exercise the Rights shall terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. The Company shall promptly give public notice of any such redemption; *provided, however,* that the failure to give, or any defect in, such notice shall not affect the legality or validity of such redemption. Within 10 days after such action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall mail a notice of redemption to all of the holders of the then outstanding Rights. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than (i) as specifically set forth in this Section 23 or in Section 24, or (ii) as a consequence of the purchase, prior to the Distribution Time, of shares of Common Stock associated with such Rights.

Section 24. Exchange.

(a) Subject to the applicable laws, rules and regulations, and subject to Section 24(c) below, the Company may, at its option, by action of the Board of Directors, at any time after any Person becomes an Acquiring Person, exchange all or any portion of the then outstanding and exercisable Rights (which shall not include Rights that have become null and void pursuant to the provisions of Section 11(a)(ii)) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right, appropriately adjusted to reflect any adjustment in the number of Rights pursuant to Section 11(i) (such exchange ratio being hereinafter referred to as

the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors of the Company shall not be empowered to effect any such exchange at any time after any Person (other than a Company Entity), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the shares of Common Stock then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to Section 24(a), and without any further action and without any notice, the right to exercise the Rights that are to be exchanged shall terminate and the only right thereafter of the holders of such Rights shall be to receive that number of shares of Common Stock equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company promptly shall give public notice of any such exchange and the Company promptly shall mail a notice of any such exchange to all of the holders of such Rights; *provided*, *however*, that the failure of the Company to promptly give, or any defect in, any such notice shall not affect the legality or validity of such exchange. Each such notice of exchange mailed to the holders of such Rights will state the method by which the exchange of the shares of Common Stock for Rights will be effected, and, in the event of any partial exchange, the percentage of the total Rights, and the number of such holder's Rights, that will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights that have become null and void pursuant to the provisions of Section 11(a)(ii)) held by each holder of Rights.

(c) In the event that there are not sufficient shares of Common Stock that are either issued but not outstanding or authorized but not issued to permit the exchange of all of the Rights ordered by the Board of Directors to be exchanged in accordance with this Section 24, the Company shall take all such action as may be necessary to authorize such number of additional shares of Common Stock to provide for the full issuance of shares of Common Stock required to be issued upon exchange of such Rights. In the event the Company, after good faith effort, is unable to take all such action as may be necessary to authorize such additional shares of Common Stock, the Company shall substitute, for each share of Common Stock that would otherwise be issuable upon exchange of a Right, such number of Preferred Shares (or such fraction of a Preferred Share) as shall have a current per share market price equal to the current per share market price of one share of Common Stock as of the date of issuance of such Preferred Shares (or such fraction of a Preferred Share).

(d) The Company shall not be required to issue fractions of a share of Common Stock upon any exchange of the Rights, or to distribute certificates that evidence fractional shares of Common Stock. In lieu of such fractional shares of Common Stock, the Company shall pay to the registered holders of the Rights with regard to which such fractional shares of Common Stock would otherwise be issuable at the time such Rights are exchanged as herein provided an amount in cash equal to the same fraction of the current market value of a whole share of Common Stock. For the purposes of this Section 24(d), the current market value of a whole share of Common Stock shall be the closing price of a share of Common Stock (as determined pursuant to Section 11(d)) for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

Section 25. Notice of Certain Events.

(a) In case the Company, at any time after the Distribution Time, proposes to (i) pay any dividend payable in stock of any class to the holders of the Preferred Shares or to make any other distribution to the holders of the Preferred Shares (other than a regular quarterly cash dividend), (ii) offer to the holders of the Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) effect any reclassification of the Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) effect any consolidation or merger into or with, or effect any sale or other transfer (or permit one or more of its Subsidiaries to effect any sale or other transfer), in one or more transactions, of 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to, any other Person, (v) effect the liquidation, dissolution or winding up of the Company, or (vi) declare or pay any dividend on the shares of Common Stock payable in shares of Common Stock or to effect a subdivision, combination or consolidation of the shares of Common Stock (by reclassification or otherwise than by payment of dividends in shares of Common Stock), then, in each such case, the Company shall give to each registered holder of a Right Certificate, in accordance with Section 26, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the shares of Common Stock and/or Preferred Shares, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least 20 days prior to the record date for determining holders of the Preferred Shares for purposes of such action, and, in the case of any such other action, at least 20 days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the shares of Common Stock and/or Preferred Shares, whichever is earlier.

(b) In case the event set forth in Section 11(a)(ii) occurs, the Company shall, as soon as practicable thereafter, give to the Rights Agent and to each registered holder of a Right Certificate, in accordance with Section 26, a notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii).

Section 26. Notices. Except as otherwise provided in Section 21, all notices and demands authorized by this Agreement to be given or made by the Rights Agent or the holder of any Right to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing by the Company with the Rights Agent) or by facsimile transmission as follows:

CCE Spinco, Inc.
9348 Civic Center Drive
Beverly Hills, California 90210
Attention: Corporate Secretary
Facsimile No.: (310) 867-7051

Except as otherwise provided in Section 21, all notices and demands authorized by this Agreement to be given or made by the Company or the holder of any Right to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing by the Rights Agent with the Company) or by facsimile transmission as follows:

The Bank of New York
101 Barclay Street, 11E
New York, New York, 10286
Facsimile No.: (212) 815-7048
Attention: Steven Myers, Stock Transfer Administration

Notices, demands or certificates (including Right Certificates) authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Right (whether as the record holder of a share of Common Stock prior to the Distribution Time or as the registered holder of a Right Certificate from and after the Distribution Time) shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at their last addresses as they appear upon the registry books of the Rights Agent (or, if prior to the Distribution Time or in connection with the distribution of Right Certificates immediately following the Distribution Time, at their last addresses as they appear upon the registry books of the transfer agent for the shares of Common Stock). Any notice that is mailed to a holder of a Right in the manner herein provided shall be deemed given, whether or not such holder actually receives such notice.

Section 27. Supplements and Amendments. The Company may from time to time supplement or amend this Agreement without the approval of any holder of Rights, subject to the other terms and conditions of this Agreement, in order to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision or provisions herein, to shorten or lengthen any time period hereunder or to make, amend or delete any other provisions with respect to the Rights that the Company may deem necessary or desirable, any such supplement or amendment to be evidenced by a writing signed by the Company and the Rights Agent; *provided, however,* that, from and after such time as any Person becomes an Acquiring Person, this Agreement shall not be amended in any manner that would adversely affect the interests of the holders of Rights. Without limiting the foregoing, the Company may, at any time prior to such time as any Person becomes an Acquiring Person, amend this Agreement to (A) make the provisions of this Agreement inapplicable to a particular transaction by which a Person would otherwise become an Acquiring Person or to otherwise alter the terms and conditions of this Agreement as they may apply with respect to any such transaction, or (B) lower the thresholds set forth in Section 1(a) and Section 3(a) to not less than 10% or more of the shares of Common Stock then outstanding (the "Reduced Threshold"); *provided, however,* that no Person who Beneficially Owns a number of shares of Common Stock equal to or greater than the Reduced Threshold shall become an Acquiring Person because of such Amendment unless such Person, after the public announcement of the Reduced Threshold, purchases one or more additional shares of Common Stock such that its Beneficial Ownership of the then outstanding shares of Common Stock is equal to or greater than the greater of (x) the Reduced Threshold or (y) the lowest Beneficial Ownership of such Person as a percentage of the shares of Common Stock outstanding as of any date on or after the date of the public

announcement of such Reduced Threshold. Upon delivery of a certificate from an appropriate officer of the Company and, if requested by the Rights Agent, an opinion of counsel, that states that the proposed supplement or amendment is in compliance with the terms of this Section 27, the Rights Agent shall execute such supplement or amendment. Notwithstanding anything contained in this Agreement to the contrary, the Rights Agent may, but shall not be obligated to, enter into any supplement or amendment that affects the Rights Agent's own rights, duties, obligations or immunities under this Agreement. Prior to the Distribution Time, the interests of the holders of the Rights shall be deemed coincident with the interests of the holders of Common Stock.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Time, the record holders of shares of Common Stock) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Time, the record holders of shares of Common Stock).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 31. Governing Law. This Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such state applicable to contracts to be made and performed entirely within such state; *provided, however,* that the rights, duties and obligations of the Rights Agent hereunder shall be governed by and construed in accordance with the laws of the State of New York.

Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings; References. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof. Except as otherwise specifically provided, any reference to any section or annex will be deemed to refer to such section of or annex to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the day and year first above written.

Attest:

CCE SPINCO, INC.

By: /s/ Randall T. Mays
Name: Randall T. Mays
Title: Secretary

By: /s/ Michael Rapino
Name: Michael Rapino
Title: Chief Executive Officer

Attest:

THE BANK OF NEW YORK

By: /s/ Rohan M. Bickram
Name: Rohan M. Bickram
Title: Assistant Treasurer

By: /s/ Steven Myers
Name: Steven Myers
Title: Assistant Treasurer

Exhibit 4.2

Annex A

CERTIFICATE OF DESIGNATION

OF

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

OF

CCE SPINCO, INC.

(Pursuant to Section 151 of the Delaware General Corporation Law)

CCE Spinco, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that, as required by Section 151 of the General Corporation Law, the following resolution was adopted on October 26, 2005, by the Board of Directors of the Corporation.

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Certificate of Incorporation, the Board of Directors hereby creates a series of Preferred Stock, par value $.01 per share, of the Corporation (the "Preferred Stock"), and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be Twenty Million (20,000,000). Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value $.01 per share, of the Corporation, and of any other junior stock, shall

be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation at any time declares or pays any dividend on the Common Stock payable in shares of Common Stock, or effects a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation at any time declares or pays any dividend on the Common Stock payable in shares of Common Stock, or effects a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding are paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem,

purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, determines in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation at any time declares or pays any dividend on the Common Stock payable in shares of Common Stock, or effects a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event

and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation at any time enters into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation at any time declares or pays any dividend on the Common Stock payable in shares of Common Stock, or effects a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be amended in any manner that would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its Chief Executive Officer and attested by its Secretary this 14th day of December, 2005.

Attest:

/s/ Randall T. Mays	/s/ Michael Rapino
Randall T. Mays, Secretary	Michael Rapino, Chief Executive Officer

Exhibit 4.3

Annex B

Form of Right Certificate

Certificate No. R-___ **___Rights**

NOT EXERCISABLE AFTER DECEMBER 21, 2015 OR EARLIER IF REDEMPTION OR EXCHANGE OCCURS. THE RIGHTS ARE SUBJECT TO REDEMPTION AT $.01 PER RIGHT AND TO EXCHANGE ON THE TERMS SET FORTH IN THE AGREEMENT.

Right Certificate

CCE SPINCO, INC.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Agreement, dated as of December 21, 2005 (the "Agreement"), between CCE Spinco, Inc., a Delaware corporation (the "Company"), and The Bank of New York (the "Rights Agent"), to purchase from the Company at any time after the Distribution Time (as such term is defined in the Agreement) and prior to 5:00 P.M., local time in New York, New York, on December 21, 2015 at the office of the Rights Agent designated for such purpose, or at the office of its successor as Rights Agent, one one-hundredth of a fully paid non-assessable share of Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company (the "Preferred Shares"), at a purchase price of $___per one one-hundredth of a Preferred Share (the "Purchase Price"), upon presentation and surrender of this Right Certificate with the Form of Election to Purchase, properly completed and duly executed. The number of Rights evidenced by this Right Certificate (and the number of one one-hundredths of a Preferred Share that may be purchased upon exercise hereof) set forth above, and the Purchase Price set forth above, are such number and Purchase Price as of ___, 20___, based on the Preferred Shares as constituted at such date. As provided in the Agreement, the Purchase Price and the number and type of securities that may be purchased upon the exercise of the Rights evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

This Right Certificate is subject to all of the terms, provisions and conditions of the Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Agreement are on file at the principal executive offices of the Company and the offices of the Rights Agent.

This Right Certificate, with or without other Right Certificates, upon surrender at the office of the Rights Agent designated for such purpose, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of Preferred Shares as the Rights evidenced by the Right Certificate or Right Certificates surrendered entitle such holder to purchase. If this Right

Certificate is exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Agreement, the Rights evidenced by this Right Certificate (i) may be redeemed by the Company at a redemption price of $.01 per Right or (ii) may be exchanged in whole or in part for Preferred Shares or shares of the Company's Common Stock, par value $.01 per share.

No fractional Preferred Shares will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions that are integral multiples of one one-hundredth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts), but, in lieu thereof, a cash payment will be made, as provided in the Agreement.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained in the Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate have been exercised as provided in the Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal. Dated as of ___, 20_.

ATTEST:

By: _____
Name:
Title:

CCE SPINCO, INC.

By: _____
Name
Title

Countersigned:

THE BANK OF NEW YORK

By: _____
Name:
Title

Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

_____

_____

(Please print name and address of transferee)

_____

_____

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated:_____

_____

Signature

Signature Guaranteed:

All Guarantees must be made by a financial institution (such as a bank or broker) that is a participant in the Securities Transfer Agents Medallion Program ("STAMP"), the New York Stock Exchange, Inc. Medallion Signature Program ("MSP"), or the Stock Exchanges Medallion Program ("SEMP") and must not be dated. Guarantees by a notary public are not acceptable.

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not Beneficially Owned by an Acquiring Person (as such terms are defined in the Agreement).

_____

Signature

Form of Reverse Side of Right Certificate — continued

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise Rights represented by the Right Certificate.)

To: CCE SPINCO, INC.

The undersigned hereby irrevocably elects to exercise _____ Rights represented by this Right Certificate to purchase the Preferred Shares or other securities then issuable upon the exercise of such Rights and requests that certificates for such Preferred Shares or such other securities be issued in the name of:

Please insert social security
or other identifying number

_____

(Please print name and address)

_____

If such number of Rights are not all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security
or other identifying number

_____

(Please print name and address)

_____

Dated: _____

_____

Signature

Signature Guaranteed:

All Guarantees must be made by a financial institution (such as a bank or broker) that is a participant in the Securities Transfer Agents Medallion Program ("STAMP"), the New York Stock Exchange, Inc. Medallion Signature Program ("MSP"), or the Stock Exchanges Medallion Program ("SEMP") and must not be dated. Guarantees by a notary public are not acceptable.

The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not Beneficially Owned by an Acquiring Person (as defined in the Agreement).

Signature

NOTICE

The signature in the Form of Assignment or Form of Election to Purchase, as the case may be, must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Company and the Rights Agent will deem the Beneficial Owner of the Rights evidenced by this Right Certificate to be an Acquiring Person (as defined in the Agreement) and such Assignment or Election to Purchase will not be honored.

Exhibit 10.1

TRANSITION SERVICES AGREEMENT

DATED DECEMBER 21, 2005

BETWEEN

CLEAR CHANNEL MANAGEMENT SERVICES, L.P.

AND

CCE SPINCO, INC.

TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated to be effective as of December 21, 2005 (this "Agreement"), is made by and between Clear Channel Management Services, L.P., a Texas limited partnership ("Management Services"), and CCE Spinco, Inc., a Delaware corporation ("Entertainment"). Management Services is indirectly wholly-owned by Clear Channel Communications, Inc., a Texas corporation ("CCU"), and as of the execution hereof, Entertainment is a wholly-owned subsidiary of CCU. Certain capitalized terms used in this Agreement are defined in Section 1.1 and the definitions of the other capitalized terms used in this Agreement are cross-referenced in Section 1.2.

W I T N E S S E T H:

WHEREAS, CCU and Entertainment have entered into a Master Separation and Distribution Agreement, dated as of December 20, 2005 (the "Master Agreement"), pursuant to which, among other things, CCU will separate its live entertainment and related businesses and operations from the other businesses and operations of CCU by contributing, assigning and transferring such businesses, operations and related assets and liabilities to Entertainment and its Subsidiaries, as set forth in the Master Agreement;

WHEREAS, after the separation of the live entertainment and related businesses and operations from CCU by contribution, transfer and assignment to the Entertainment Group, CCU intends to divest its ownership interest in Entertainment through a distribution of such outstanding shares of Entertainment common stock to the shareholders of CCU, without any consideration being paid by the CCU shareholders;

WHEREAS, after such separation and distribution, both Entertainment and CCU desire for Management Services to provide certain transition administrative and support services to the Entertainment Group in accordance with the terms and subject to the conditions set forth herein, and Management Services desires to provide, or cause to be provided by other members of the CCU Group, such transition services and assistance to the Entertainment Group; and

WHEREAS, because of the parent-subsidiary relationships among CCU, Entertainment and Management Services, the terms and conditions set forth herein have not resulted from arms length negotiations between the parties, and accordingly, such terms may be in some respects less favorable to Entertainment than those it could obtain from unaffiliated third parties;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Defined Terms.

The following capitalized terms used in this Agreement will have the meanings set forth below:

"Information Systems" means computing, telecommunications or other digital operating or processing systems or environments, including, without limitation, computer programs, data, databases, computers, computer libraries, communications equipment, networks and systems. When referenced in connection with Services, Information Systems will mean the Information Systems accessed and/or used in connection with the Services.

"Intellectual Property" means all of the following, whether protected, created or arising under the laws of the United States or any other foreign jurisdiction: (i) patents, patent applications (along with all patents issuing thereon), statutory invention registrations, divisions, continuations, continuations-in-part, substitute applications of the foregoing and any extensions, reissues, restorations and reexaminations thereof, and all rights therein provided by international treaties or conventions; (ii) copyrights, mask work rights, database rights and design rights, whether or not registered, published or unpublished, and registrations and applications for registration thereof, and all rights therein whether provided by international treaties or conventions or otherwise; (iii) trademarks, service marks, trade dress, logos and other identifiers of source, including all goodwill associated therewith and all common law rights, registrations and applications for registration thereof, and all rights therein provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing; (iv) intellectual property rights arising from or in respect of domain names, domain name registrations and reservations and URLs; (v) trade secrets; (vi) intellectual property rights arising from or in respect of Technology; and (vii) all other applications and registrations related to any of the intellectual property rights set forth in the foregoing clauses (i) through (vi) above.

"Provider" means Management Services or another member of the CCU Group that is providing a Service pursuant to this Agreement.

"Recipient" means Entertainment or another member of the Entertainment Group to whom a Service pursuant to this Agreement is being provided.

"Representative" of a Person means any director, officer, employee, agent, consultant, accountant, auditor, financing source, attorney, investment banker or other representative of such Person.

"Service Termination Date" means the effective date of the termination of this Agreement pursuant to Section 8.1 or such earlier scheduled termination date as may be specified in Schedules A and B in respect of any specified Service.

"Software" means the object and source code versions of computer programs and any associated documentation therefor.

"Tax Matters Agreement" means the Tax Matters Agreement entered into pursuant to the Master Agreement and in substantially the form of Exhibit B to the Master Agreement.

"Technology" means, collectively, all designs, formulas, algorithms, procedures, techniques, ideas, know-how, software, programs, models, routines, confidential and proprietary information, databases, tools, inventions, invention disclosures, creations, improvements, works of authorship, and all recordings, graphs, drawings, reports, analyses, other writings, and any other embodiment of the above, in any form, whether or not specifically listed herein.

Section 1.2 Other Terms.

For purposes of this Agreement, the following terms have the meanings set forth in the sections or agreements indicated.

Term	Section
Affiliate	Master Agreement
Agreement	Preamble
Breaching Party	Section 8.1(b)
CCU	Preamble
CCU Confidential Information	Master Agreement
CCU Group	Master Agreement
CCU Services Manager	Section 2.3
Consents	Section 4.2
Conversion Costs	Section 4.3
Distribution Date	Master Agreement
Electronic Materials	Section 2.2(c)
Entertainment	Preamble
Entertainment Business	Master Agreement
Entertainment Confidential Information	Master Agreement
Entertainment Group	Master Agreement
Entertainment Services Manager	Section 2.3
Force Majeure	Master Agreement
Groups	Master Agreement
Laws	Master Agreement
Liabilities	Master Agreement
Management Services	Preamble
Master Agreement	Recitals
Non-Breaching Party	Section 8.1(b)
Other Costs	Section 4.1(a)
Person	Master Agreement
Provider Indemnified Party	Section 6.1
Recipient Indemnified Party	Section 6.2
Service Charges	Section 4.1(a)
Services	Section 2.1(a)
Standard for Services	Section 5.1
Substitute Services	Section 2.1(a)
Taxes	Master Agreement

ARTICLE II
SERVICES AND TERMS

Section 2.1 Services; Scope.

(a) During the period commencing on the Distribution Date and continuing until the earlier of the termination of this Agreement or an individual Service pursuant to Section 8.1, subject to the terms and conditions set forth in this Agreement, Management Services will provide, or will cause to be provided to the Entertainment Group, finance, information technology, human resources and legal services and other general services of an administrative and/or advisory nature with respect to the Entertainment Business, as set forth on Schedules A and B (collectively, the "Services"), and Entertainment will, and will cause the other members of the Entertainment Group to, utilize such Services in the conduct of their respective businesses. The "Services" also will include (1) any Services to be provided by the CCU Group to the Entertainment Group as agreed pursuant to Section 9.3(a), and (2) any Substitute Service; provided, however, that (i) the scope of each Service will be substantially the same as the scope of such service provided by the CCU Group to the Entertainment Group on the last day prior to the Distribution in the ordinary course; (ii) the use of each Service by the Entertainment Group will include use by the Entertainment Group's contractors in substantially the same manner as used by the contractors of the Entertainment Group prior to the Distribution; and (iii) nothing in this Agreement will require that any Service be provided other than for use in, or in connection with the Entertainment Business. Nothing in the preceding sentence or elsewhere in this Agreement will be deemed to restrict or otherwise limit the volume or quantity of any Service, provided, that, certain volume or quantity changes with respect to a Service may require the parties to negotiate in good faith and use their commercially reasonable efforts to agree upon a price change with respect to such Service. If, for any reason, Management Services is unable to provide any Service pursuant to the terms of this Agreement, Management Services will provide to the Entertainment Group a substantially equivalent service (a "Substitute Service") at or below the cost for the substituted Service as set forth in Schedules A and B and otherwise in accordance with the terms of this Agreement, including the Standard for Services.

(b) The Services will include, and the Service Charges reflect charges for, such maintenance, support, error correction, training, updates and enhancements normally and customarily provided by CCU Group members to other CCU Group members that receive such services. If Entertainment requests that Management Services provide a custom modification in connection with any Service, Entertainment will be responsible for the cost of such custom modification. The Services will include all functions, responsibilities, activities and tasks, and the materials, documentation, resources, rights and licenses to be used, granted or provided by the CCU Group that are not specifically described in this Agreement as a part of the Services, but are incidental to, and would normally be considered an inherent part of, or necessary subpart included within, the Services or are otherwise necessary for the CCU Group to provide, or the Entertainment Group to receive, the Services.

(c) This Agreement will not assign any rights to Technology or Intellectual Property between the parties, other than as specifically set forth herein. Any upgrades, updates or other modifications to Software or other electronic content made available or delivered to the Entertainment Group pursuant to this Agreement will be deemed to be Intellectual Property of

the CCU Group and licensed to the Entertainment Group, notwithstanding that such upgrades, updates or other modifications (i) were not used, held for use or contemplated to be used by the Entertainment Group as of the Distribution Date, (ii) were not controlled by any member of the CCU Group as of the Distribution Date, or (iii) may constitute improvements made after the Distribution Date.

(d) Throughout the term of this Agreement, the Provider and the Recipient of any Service will cooperate with one another and use their good faith, commercially reasonable efforts to effect the efficient, timely and seamless provision and receipt of such Service.

(e) Any Software delivered by a Provider hereunder will be delivered, at the election of the Provider, either (i) with the assistance of the Provider, through electronic transmission or downloaded by the Recipient from the applicable intranet, or (ii) by installation by the Provider on the relevant equipment, with retention by the Provider of all tangible media on which such Software resides. The Provider and the Recipient acknowledge and agree that no tangible medium containing such Software (including any enhancements, upgrades or updates) will be transferred to the Recipient at any time for any reason under the terms of this Agreement, and that the Provider will, at all times, retain possession and control of any such tangible medium used or consumed by the Provider in the performance of this Agreement. Each party will comply with all reasonable security measures implemented by the other party in connection with the delivery of Software.

Section 2.2 Support Services.

During the term of this Agreement, Management Services will provide, or will cause to be provided, the following support, which support will be in addition to the Services described in Schedules A and B, at charges to be mutually agreed to by the CCU Services Manager and the Entertainment Services Manager, plus out-of-pocket costs and expenses incurred in connection with such support services:

(a) Management Services will provide, or will cause to be provided, current and reasonably available historical data related to the Services as reasonably required by Entertainment in a manner and within a time period as mutually agreed by the parties;

(b) Management Services will make the Services reasonably available to the Entertainment Group employees and contractors whose assistance, expertise or presence is necessary to assist the Entertainment Group's transition team in establishing a fully functioning stand-alone environment for the Entertainment Business prior to the Service Termination Date; and

(c) with respect to any Software or other electronic content ("Electronic Materials") licensed to any member of the Entertainment Group and used to provide a Service, Management Services will make available or deliver to the appropriate member of the Entertainment Group a copy of such Software or Electronic Materials that are in existence and current as of the Service Termination Date for such Service, including any upgrades, updates and other modifications made to such Software and Electronic Materials since the Distribution Date. Any upgrades, updates or other modifications to Software and Electronic Materials made available or delivered

to the Entertainment Group pursuant to this Section 2.2(c) will be deemed to be Intellectual Property of the CCU Group and licensed to the Entertainment Group, notwithstanding that such upgrades, updates or other modifications (i) were not used, held for use or contemplated to be used by the Entertainment Group as of the Distribution Date, (ii) were not controlled by any member of the CCU Group as of the Distribution Date, or (iii) may constitute improvements made after the Distribution Date.

Section 2.3 Services Managers.

Management Services will designate a dedicated services account manager (the "CCU Services Manager") who will be directly responsible for coordinating and managing the delivery of the Services and will have authority to act on the CCU Group's behalf with respect to the Services. Entertainment will designate a dedicated services account manager (the "Entertainment Services Manager") who will be directly responsible for coordinating and managing the receipt of the Services by the Entertainment Group and will have authority to act on the Entertainment Group's behalf with respect to the Services. The CCU Services Manager and the Entertainment Services Manager will work together to address the parties' relationship and issues under this Agreement.

Section 2.4 Performance and Receipt of Services.

Each of Management Services and Entertainment will, and will cause its respective Groups to, comply with the following provisions with respect to the Services:

(a) Each Provider and Recipient will at all times comply with its own then in-force security guidelines and policies applicable to the performance, access and/or use of the Services and Information Systems.

(b) Each Provider and Recipient will take commercially reasonable measures to ensure that no computer viruses or similar items are coded or introduced into the Services or Information Systems. If a computer virus is found to have been introduced into the Services or Information Systems, the parties hereto will use their commercially reasonable efforts to cooperate and to diligently work together to eliminate the effects of such computer virus.

(c) Each Provider and Recipient will exercise reasonable care in providing and receiving the Services to (i) prevent access to the Services or Information Systems by unauthorized Persons, and (ii) not damage, disrupt or interrupt the Services or Information Systems.

Section 2.5 WARRANTIES.

THIS IS A SERVICE AGREEMENT. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO EXPRESS WARRANTIES OR GUARANTIES, AND THERE ARE NO IMPLIED WARRANTIES OR GUARANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE AND FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE III
ADDITIONAL AGREEMENTS

Section 3.1 Leases.

(a) Management Services and Entertainment agree that each lease or sublease listed on Schedule C, pursuant to which any member of the Entertainment Group leases or subleases real property from any member of the CCU Group, will remain in full force and effect pursuant to its terms unless otherwise agreed to in writing by the parties.

(b) Management Services and Entertainment agree that each lease or sublease listed on Schedule D, pursuant to which any member of the CCU Group leases or subleases real property from any member of the Entertainment Group, will remain in full force and effect pursuant to its terms unless otherwise agreed to in writing by the parties.

Section 3.2 Computer-Based Resources.

(a) Management Services and Entertainment agree that after the Distribution Date, the Entertainment Group will not have access to all or any part of the Information Systems of the CCU Group, except to the extent necessary for the Entertainment Group to receive the Services (subject to the Entertainment Group complying with all reasonable security measures implemented by the CCU Group as deemed necessary by the CCU Group to protect its Information Systems; provided, that, the Entertainment Group has had a commercially reasonable period of time in which to comply with such security measures).

(b) Management Services and Entertainment agree that after the Distribution Date, the CCU Group will not have access to all or any part of the Information Systems of the Entertainment Group, except to the extent necessary for the CCU Group to perform the Services (subject to the CCU Group complying with all reasonable security measures implemented by the Entertainment Group as deemed necessary by the Entertainment Group to protect its Information Systems; provided, that, the CCU Group has had a commercially reasonable period of time in which to comply with such security measures).

Section 3.3 Access.

Entertainment will allow the CCU Group and its Representatives reasonable access to the facilities of the Entertainment Group necessary for the performance of the Services and to enable the CCU Group to fulfill its obligations under this Agreement.

ARTICLE IV
COSTS AND DISBURSEMENTS; PAYMENTS

Section 4.1 Service Charges.

(a) Schedules A and B set forth with respect to each Service a description of the charges for such Service or the basis for the determination thereof (the "Service Charges"). Further, in connection with performance of the Services, the Provider will make payments for the benefit of, and on behalf of, the Recipient and will incur out-of-pocket costs and expenses

(collectively, the "Other Costs"), which will be reimbursed to the Provider by the Recipient; provided, that, any Other Costs will only be payable by the Recipient if it receives from the Provider reasonably detailed data and other documentation sufficient to support the calculation of amounts due to the Provider as a result of such Other Costs.

(b) The Provider will deliver an invoice to the Recipient on a monthly basis (or at such other frequency as is set forth in the applicable Schedule A or B) in arrears for the Service Charges and any Other Costs. The Recipient will pay the amount of such invoice to the Provider in U.S. dollars within 30 days of the date of such invoice, provided, that, to the extent consistent with past practice with respect to Services rendered outside the United States, payments may be made in local currency. If the Recipient fails to pay such amount (excluding any amount contested in good faith) by such date, the Recipient will be obligated to pay to the Provider, in addition to the amount due, interest on such amount at the lesser of (i) the three month London Interbank Offered Rate (LIBOR) plus 100 basis points or (ii) the maximum rate of interest allowed by applicable law, from the date the payment was due through the date of payment. As soon as practicable after receipt by the Provider of any reasonable written request by the Recipient, the Provider will provide the Recipient with reasonably detailed data and documentation sufficient to support the calculation of any amount due to the Provider under this Agreement for the purpose of verifying the accuracy of such calculation. If, after reviewing such data and documentation, the Recipient disputes the Provider's calculation of any amount due to the Provider, then the dispute will be resolved pursuant to Section 7.2.

Section 4.2 Consents.

Management Services and Entertainment acknowledge and agree that certain Software and other licenses, consents, approvals, notices, registrations, recordings, filings and other actions (collectively, "Consents") may be required by Management Services, Entertainment or members of their respective Groups in connection with the provision of the Services. With respect to each Service, the Recipient will, after consultation with the Provider, either directly pay the out-of-pocket expenses incurred to obtain, perform or otherwise satisfy each such Consent or after any such Consent is obtained, performed or otherwise satisfied, reimburse the Provider for all actual, out-of-pocket costs incurred by the Provider and related to such Consent. Prior to payment of, or reimbursement for, such out-of-pocket expenses, the Provider will provide the Recipient with an invoice accompanied by reasonably detailed data and documentation sufficient to evidence the out-of-pocket expenses for which the Provider is seeking payment or reimbursement. Upon receipt of such invoice and data and documentation, the Recipient will either pay the amount of such invoice directly in accordance with its general payment terms with vendors or reimburse the Provider for its payment of the invoice within 30 days of the date of its receipt of such invoice. If the Recipient disputes the invoiced amount, then the parties will work together to resolve such dispute. If the parties are unable to resolve such dispute, the dispute will be resolved pursuant to Section 7.2. Management Services and Entertainment acknowledge and agree that no prior approval of the Recipient will be required for the Provider to seek any reimbursement pursuant to this Section 4.2.

Section 4.3 Conversion Costs.

Management Services and Entertainment acknowledge and agree that in connection with the implementation, provision, receipt and transition of the Services, there will be certain nonrecurring, out-of-pocket conversion costs incurred by Management Services, Entertainment and their respective Groups ("Conversion Costs"). With respect to each Service, the Recipient of the Service will either reimburse the Provider as incurred for all actual, out-of-pocket Conversion Costs incurred by the Provider and related to such Service or, after consultation with the Provider, pay such Conversion Costs directly on an as-incurred basis, in either case regardless of whether the Recipient replaces such Service with the same application, system, vendor or other means of effecting the Service. Prior to payment of, or reimbursement for, such actual out-of-pocket Conversion Costs, the Provider will provide the Recipient with an invoice accompanied by reasonably detailed data and documentation sufficient to evidence the out-of-pocket expenses for which the Provider is seeking payment or reimbursement. Upon receipt of such invoice and data and documentation, the Recipient will either pay the amount of such invoice directly in accordance with its general payment terms with vendors or reimburse the Provider for its payment of the invoice within 30 days of the date of its receipt of such invoice. If the Recipient disputes the invoiced amount, then the dispute will be resolved pursuant to Section 7.2. Management Services and Entertainment acknowledge and agree that no prior approval will be required from the Recipient for the Provider to seek any reimbursement for Conversion Costs pursuant to this Section 4.3.

ARTICLE V
STANDARD FOR SERVICE; COMPLIANCE WITH LAWS

Section 5.1 Standard for Service.

Except as otherwise provided in this Agreement (including in Schedules A and B), Management Services agrees that the Provider will perform the Services such that the nature, quality, standard of care and the service levels at which such Services are performed are no less than the nature, quality, standard of care and service levels at which the substantially same services were provided to the members of the Entertainment Group by or on behalf of the Provider on the last day prior to the Distribution Date in the ordinary course (the "Standard for Services").

Section 5.2 Compliance with Laws.

Each of Management Services and Entertainment will be responsible for its, and its respective Group's, compliance with any and all Laws applicable to its performance under this Agreement; provided, however, that each of Management Services and Entertainment will, subject to reimbursement of out-of-pocket expenses by the requesting party, use commercially reasonable efforts to cooperate and provide the other party with all reasonably requested assistance (including, without limitation, the execution of documents and the provision of relevant information) to ensure compliance with all applicable Laws in connection with any regulatory action, requirement, inquiry or examination related to this Agreement or the Services.

ARTICLE VI
INDEMNIFICATION; LIMITATION ON LIABILITY

Section 6.1 Limited Liability of a Provider.

Notwithstanding the provisions of Section 5.1, none of Management Services, any other member of the CCU Group, their respective Affiliates or any of their respective directors, officers or employees, or any of the heirs, executors, successors or assigns of any of the foregoing (each, a "Provider Indemnified Party"), will have any liability in contract, tort or otherwise, including for any such party's ordinary or contributory negligence, to the Recipient or its Affiliates or Representatives for or in connection with (i) any Services rendered or to be rendered by any Provider Indemnified Party pursuant to this Agreement, (ii) the transactions contemplated by this Agreement, or (iii) any Provider Indemnified Party's actions or inactions in connection with any such Services or transactions; provided, however, that such limitation on liability will not extend to or otherwise limit any Liabilities that have resulted directly from such Provider Indemnified Party's (a) gross negligence or willful misconduct, (b) improper use or disclosure of information of, or regarding, a customer or potential customer of a Recipient Indemnified Party, or (c) violation of applicable Law.

Section 6.2 Indemnification by Each Provider.

Management Services will, and will cause each Provider to, indemnify, defend and hold harmless each relevant Recipient and each of its Subsidiaries and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (each, a "Recipient Indemnified Party"), from and against any and all Liabilities of the Recipient Indemnified Parties relating to, arising out of, or resulting from (a) the gross negligence or willful misconduct of a Provider Indemnified Party in connection with such Provider Indemnified Party's provision of the Services, (b) the improper use or improper disclosure of information of, or regarding, a customer or potential customer of a Recipient Indemnified Party in connection with the transactions contemplated by this Agreement or such Provider Indemnified Party's provision of the Services, or (c) any violation of applicable Law by a Provider Indemnified Party in connection with the transactions contemplated by this Agreement or such Provider Indemnified Party's provision of the Services; provided, that, the aggregate liability of the CCU Group as Providers pursuant to this Article VI will in no event exceed an amount equal to the aggregate payments made by the Recipients to the Providers for Services pursuant to this Agreement for the 12 month period preceding the date of such event giving rise to indemnification hereunder.

Section 6.3 Indemnification by Each Recipient.

Entertainment will, and will cause each member of the Entertainment Group to, indemnify, defend and hold harmless each relevant Provider Indemnified Party from and against any and all Liabilities of the Provider Indemnified Parties relating to, arising out of, or resulting from the provision of the Services by any Provider or any of its Affiliates, except for (a) any Liabilities that result from a Provider Indemnified Party's gross negligence in connection with the provision of the Services, or (b) any Liabilities that result from a Provider Indemnified Party's material breach of this Agreement.

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Section 6.4 Indemnification Matters; Exclusivity.

The indemnification provisions set forth in Sections 6.5 through 6.7 of the Master Agreement are hereby incorporated into, and made a part of, this Article VI and as otherwise applicable to this Agreement. The provisions of this Article VI will constitute the sole and exclusive remedy for Liabilities arising under this Agreement.

Section 6.5 Limitation on Liability.

Notwithstanding any other provision contained in this Agreement, Entertainment and Management Services agree on their behalf, and on behalf of their respective Groups, that no member of the CCU Group on the one hand, and no member of the Entertainment Group, on the other hand, will be liable to any member of the other Group, whether based on contract, tort (including negligence), warranty or any other legal or equitable grounds, for any special, indirect, punitive, incidental or consequential losses, damages or expenses of the other Group, including, without limitation, loss of data, loss of profits, interest or revenue, or use or interruption of business, arising from any claim relating to breach of this Agreement or otherwise relating to any of the Services provided hereunder. For clarification purposes only, the parties hereto agree that the limitation on liability contained in this Section 6.5 will not apply to (a) damages awarded to a third party pursuant to a third party claim for which a Provider is required to indemnify, defend and hold harmless any Recipient Indemnified Party under Section 6.2; and (b) damages awarded to a third party pursuant to a third party claim for which a Recipient is required to indemnify, defend and hold harmless any Provider Indemnified Party under Section 6.3.

Section 6.6 Liability for Payment Obligations.

Nothing in this Article VI will be deemed to eliminate or limit, in any respect, any member of the CCU Group's or any member of the Entertainment Group's express obligation in this Agreement to pay or reimburse, as applicable, for (a) Service Charges; (b) Other Costs; (c) amounts payable or reimbursable with respect to any custom modification provided pursuant to Section 2.1(b); (d) any amounts payable or reimbursable pursuant to the terms of the leases referred to in Section 3.1; (e) any amounts payable or reimbursable in respect of Consents pursuant to Section 4.2; (f) amounts payable or reimbursable in respect of Conversion Costs pursuant to Section 4.3; (g) amounts payable or reimbursable pursuant to Section 5.2 with respect to compliance with Laws; (h) amounts payable or reimbursable pursuant to Section 9.3(b) with respect to books and records; and (i) amounts payable or reimbursable pursuant to Section 9.6 with respect to Taxes.

ARTICLE VII
DISPUTE RESOLUTION

Section 7.1 Applicable Law.

This Agreement will be governed by, and construed and interpreted in accordance with, the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might require the application of the laws of another jurisdiction.

Section 7.2 Dispute Resolution.

To the extent not resolved through discussions between the CCU Services Manager and the Entertainment Services Manager, any dispute, controversy or claim arising out of, or relating to, this Agreement will be resolved in accordance with Article VIII of the Master Agreement, which dispute resolution provisions are hereby incorporated into, and made a part of, this Section 7.2.

ARTICLE VIII
TERMINATION

Section 8.1 Termination.

(a) This Agreement will terminate on the first date on which neither Management Services nor any other member of the CCU Group has any further obligations to provide any Services pursuant to this Agreement; provided, however, this Agreement may be terminated earlier in accordance with any of the following:

(i) upon mutual written agreement of Management Services and Entertainment;

(ii) by either Entertainment or Management Services, upon written notice to the other party, if such other party receiving notice has become insolvent or made an assignment for the benefit of creditors, or was placed in receivorship, reorganization, liquidation or bankruptcy;

(iii) by Management Services, upon written notice to Entertainment, if, for any reason, the ownership or control of Entertainment or any of Entertainment's operations, becomes vested in, or is made subject to the control or direction of, any direct competitor of CCU; or

(iv) by Entertainment, upon written notice to Management Services, if for any reason, the ownership or control of CCU or any of CCU's operations becomes vested in, or is made subject to the control or direction of, any direct competitor of Entertainment.

(b) The applicable scheduled termination dates for specific Services are set forth in Schedule A and B, and Entertainment may not terminate any such individual Service, in whole or in part, prior to the applicable scheduled termination date except (i) with the prior written consent of Management Services or (ii) with respect to Services described on Schedule A only, by providing Management Services with prior written notice specifying the effective date of termination (A) at least 120 days prior to the effective date of termination with respect to "Payroll Tax Management" and "Corporate Tax" Services, each as described on Schedule A, and (B) at least 90 days prior to the effective date of termination of any other Service described on Schedule A. Notwithstanding the foregoing, either Entertainment or Management Services (the "Non-Breaching Party") may terminate this Agreement with respect to any individual Service, in whole but not in part, at any time upon prior written notice by the Non-Breaching Party to the other party (the "Breaching Party") if the Breaching Party (including any member of its respective Group) has failed to perform any of its material obligations under this Agreement relating to such particular Service, and such failure will have continued without cure for a period

of 60 days after receipt by the Breaching Party of a written notice of such failure from the Non-Breaching Party seeking to terminate such Service; provided, however, that no Service may be so terminated until the parties have completed the dispute resolution process set forth in Section 7.2 with respect to such Service. Management Services and Entertainment may otherwise from time to time mutually agree to terminate any individual Service, in whole but not in part, provided, that, any such agreement to terminate a Service will comply with Section 9.10 and include all terms and conditions applicable to termination of the Service to be terminated. Any such termination of an individual Service will not in any way affect the obligations of the party terminating such Service to continue to receive all other Services not so terminated and to continue to provide Services as required by this Agreement.

(c) In addition to and not in limitation of the rights and obligations set forth inSections 2.1(d) and 2.2(b), upon the request of the Recipient of a Service, the Provider of such Service will cooperate with the Recipient and use its good faith, commercially reasonable efforts to assist the transition of such Service to the Recipient (or Affiliate of the Recipient or such third-party vendor designated by the Recipient) by the Service Termination Date for such Service.

Section 8.2 Effect of Termination.

Upon termination or expiration of any Service pursuant to this Agreement, the relevant Provider will have no further obligation to provide the terminated Service, and the relevant Recipient will have no obligation to pay any future Service Charges or Other Costs relating to any such Service (other than for or in respect of Services provided in accordance with the terms of this Agreement and received by such Recipient prior to such termination). Upon termination of this Agreement in accordance with its terms, no Provider will have any further obligation to provide any Service, and no Recipient will have any obligation to pay any Service Charges or Other Costs relating to any Service or make any other payments under this Agreement (other than for or in respect of Services received by such Recipient prior to such termination).

Section 8.3 Survival.

Each of Section 3.1 (Leases), Section 3.2 (Computer-Based Resources), Article IV (Costs and Disbursements), Article VI (Indemnification; Limitation on Liability), Article VII (Dispute Resolution), Section 8.2 (Effect of Termination), this Section 8.3 (Survival), and Article IX (General Provisions) will survive the expiration or other termination of this Agreement and remain in full force and effect.

Section 8.4 Force Majeure.

No party hereto (or any member of its Group or any other Person acting on its behalf) will have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision will, as soon as reasonably practicable after the occurrence of any such event: (a) notify the other party of the nature and

extent of any such Force Majeure condition, and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as feasible.

ARTICLE IX
GENERAL PROVISIONS

Section 9.1 Independent Contractors.

In providing Services hereunder, the Provider will act solely as independent contractor and nothing in this Agreement will constitute or be construed to be or create a partnership, joint venture, or principal/agent relationship between the Provider, on the one hand, and the Recipient, on the other. All Persons employed by the Provider in the performance of its obligations under this Agreement will be the sole responsibility of the Provider.

Section 9.2 Subcontractors.

Any Provider may hire or engage one or more subcontractors to perform any or all of its Services; provided, that, Management Services will in all cases remain responsible for all its obligations under this Agreement, including, without limitation, with respect to the scope of the Services, the Standard for Services and the content of the Services provided to the Recipient. Under no circumstances will any Recipient be responsible for making any payments directly to any subcontractor engaged by a Provider.

Section 9.3 Additional Services; Books and Records.

(a) If, during the term of this Agreement, a party hereto identifies a need for additional or other transition services to be provided by or on behalf of Management Services, the parties hereto agree to negotiate in good faith to provide such requested services (provided that such services are of a type generally provided by the CCU Group at such time) and the applicable service fees, payment procedures, and other rights and obligations with respect thereto. To the extent practicable, such additional or other services will be provided on terms substantially similar to those applicable to Services of similar types and otherwise on terms consistent with those contained in this Agreement.

(b) All books, records and data maintained by a Provider for a Recipient with respect to the provision of a Service will be the exclusive property of such Recipient. The Recipient, at its sole cost and expense, will have the right to inspect, and make copies of, any such books, records and data during regular business hours upon reasonable advance notice to the Provider. At the sole cost and expense of the Provider, upon termination of the provision of any Service, the relevant books, records and data relating to such terminated Service will be delivered by the Provider to the Recipient in a mutually agreed upon format to the address of Entertainment set forth in Section 9.5 or any other mutually agreed upon location; provided, however, that the Provider will be entitled to retain one copy of all such books, records and data relating to such terminated Service for archival purposes and for purposes of responding to any dispute that may arise with respect thereto.

Section 9.4 Confidential Information.

Entertainment agrees to, and will cause the other members of the Entertainment Group to, maintain and safeguard all the CCU Confidential Information pursuant to Section 7.2 of the Master Agreement and Management Services agrees to, and will cause the other members of the CCU Group to, maintain and safeguard all Entertainment Confidential Information pursuant to Section 7.2 of the Master Agreement, and each party hereto agrees that Section 7.2 of the Master Agreement is hereby incorporated by reference into, and made a part of, this Agreement.

Section 9.5 Notices.

All notices, requests, claims, demands and other communications under this Agreement will be in writing and will be given or made (and will be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as will be specified in a notice given in accordance with this Section 9.5):

If to Management Services:

Clear Channel Management Services, L.P.
200 E. Basse Road
San Antonio, Texas 78209
Attn: President of Clear Channel GP, LLC
Fax: (210) 822-2299

If to any other member of the CCU Group:

Clear Channel Communications, Inc.
200 E. Basse Road
San Antonio, Texas 78209
Attn: Chief Executive Officer
Fax: (210) 822-2299

If to any member of the Entertainment Group:

CCE Spinco, Inc.
9348 Civic Center Drive, 4th Floor
Beverly Hills, CA 90210
Attention: Chief Executive Officer
Fax: (310) 867-7051

Section 9.6 Taxes.

Except as otherwise specifically provided for in the Tax Matters Agreement:

(a) Each party will be responsible for any personal property Taxes on property it owns or leases, for franchise and privilege Taxes on its business, and for Taxes based on its net income or gross receipts.

(b) Each Recipient may report and (as appropriate) pay any sales, use, excise, value-added, services, consumption, and other Taxes directly if the Recipient provides the applicable Provider with a direct pay or exemption certificate.

(c) A Provider will promptly notify the applicable Recipient of, and coordinate with the Recipient the response to and settlement of, any claim for Taxes asserted by applicable taxing authorities for which the Recipient is alleged to be financially responsible hereunder.

(d) Each Recipient will be entitled to receive and to retain any refund of Taxes paid to a Provider related to the provision of Services pursuant to this Agreement. In the event a Provider receives a refund of any such Taxes paid by a Recipient to the Provider, the Provider will promptly pay, or cause the payment of, such refund to the Recipient.

(e) Each of the parties hereto agrees that if reasonably requested by the other party, it will cooperate with such other party to enable the accurate determination of such other party's Tax liability and assist such other party in minimizing its Tax liability to the extent legally permissible. The Provider's invoices will separately state the amounts of any Taxes the Provider is proposing to collect from the Recipient.

Section 9.7 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

Section 9.8 Entire Agreement.

Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement. The Schedules and Recitals to this Agreement are hereby incorporated by reference into and made part of this Agreement for all purposes.

Section 9.9 Assignment; No Third-Party Beneficiaries.

This Agreement will not be assigned by any party hereto without the prior written consent of the other party hereto; provided, however, Management Services may assign this Agreement in connection with a merger, consolidation, reorganization, sale of all or substantially all of its assets or similar transaction within the CCU Group whether or not Management Services is the surviving entity. Except as provided in Article VI with respect to Provider Indemnified Parties and Recipient Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement, the members of their respective Groups and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. Entertainment will cause each member of the Entertainment Group receiving Services hereunder as a Recipient to abide by the terms and conditions of this Agreement, and Management Services will cause each member of the CCU Group providing Services hereunder as a Provider to abide by the terms and conditions of this Agreement

Section 9.10 Amendment.

No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties to such agreement. No waiver by any party of any provision hereof will be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other subsequent breach.

Section 9.11 Rules of Construction.

(a) Interpretation of this Agreement will be governed by the following rules of construction: (i) words in the singular will be held to include the plural and vice versa and words of one gender will be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, and Schedule are references to the Articles, Sections, paragraphs, and Schedules to this Agreement unless otherwise specified, (iii) the word “including” and words of similar import will mean “including, without limitation,” (iv) provisions will apply, when appropriate, to successive events and transactions, (v) the headings contained herein are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement, (vi) the recitals are and (vii) this Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

(b) Unless specifically stated in the Master Agreement that a particular provision of the Master Agreement should be given effect in lieu of a conflicting provision in this Agreement, to the extent that any provision contained in this Agreement conflicts with, or cannot logically be read in accordance with, any provision of the Master Agreement, the provision contained in this Agreement will prevail.

(c) Unless specifically stated in Schedules A and B, to the extent that any provision contained in this Agreement conflicts with, or cannot logically be read in accordance with, any

provision set forth in Schedules A and B, the provision contained in such Schedule A or B will prevail.

Section 9.12 Counterparts.

This Agreement may be executed in one or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed will be deemed to be an original but all of which taken together will constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic mail will be as effective as delivery of a manually executed counterpart of any such Agreement.

Section 9.13 No Right to Set-Off.

Entertainment will, and will cause each other Recipient to, pay the full amount of costs and disbursements, including Other Costs, incurred under this Agreement, and will not set-off, counterclaim or otherwise withhold any other amount owed to a Provider on account of any obligation owed by a Provider to the Recipient.

[*SIGNATURE PAGE FOLLOWS*]

IN WITNESS WHEREOF, the parties have caused this Transition Services Agreement to be executed to be effective on the date first written above by their respective duly authorized officers.

CLEAR CHANNEL MANAGEMENT SERVICES, L.P.
By: Clear Channel GP, LLC, its general partner

By: /s/ Mark P. Mays
Name: Mark P. Mays
Title: President

CCE SPINCO, INC.

By: /s/ Michael Rapino
Name: Michael Rapino
Title: Chief Executive Officer

The undersigned subsidiaries of CCE Spinco, Inc. have caused this Transition Services Agreement to be executed to be effective on the date first written above by their respective duly authorized officers for the purpose of agreeing to be bound to this Transition Services Agreement and to be liable, jointly and severally, with CCE Spinco, Inc. to Clear Channel Management Services, L.P. for all covenants, agreements, liabilities and obligations provided herein or arising hereunder.

CCE HOLDCO #1, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

CCE HOLDCO #2, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

SFX ENTERTAINMENT, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

Exhibit 10.2

TAX MATTERS AGREEMENT

BY AND AMONG

CLEAR CHANNEL COMMUNICATIONS, INC.,

CCE SPINCO, INC.

AND

CCE HOLDCO #2, INC.

Dated as of December 21, 2005

TAX MATTERS AGREEMENT

This Tax Matters Agreement (this "Agreement") is entered into as of December 21, 2005, by and among Clear Channel Communications, Inc., a Texas corporation ("Distributing"), CCE Spinco, Inc., a Delaware corporation and a wholly-owned subsidiary of Distributing ("Controlled"), and CCE Holdco #2, a Delaware corporation ("Holdco #2").

Recitals

Whereas, as of the date hereof, Distributing is the common parent corporation of an affiliated group (as defined in Section 1504 of the Code) of corporations (the "Distributing Consolidated Group") that has elected to file consolidated U.S. federal income tax returns;

Whereas, the Distributing Consolidated Group has included Controlled, SFX Entertainment, Inc., a Delaware corporation ("SFXE"), and their respective direct and indirect eligible domestic Subsidiaries;

Whereas, prior to the Distribution, Distributing and an unrelated investor will have formed Holdco #2, with (i) Distributing receiving all of the Holdco #2 common stock and all of the Holdco #2 Series B redeemable non-voting preferred stock (the "Series B Preferred Stock") in exchange for Distributing's contribution to Holdco #2 of all of the outstanding stock of SFXE (the "SFXE Exchange") and (ii) the unrelated investor receiving all of Holdco #2 Series A redeemable voting preferred stock (the "Series A Preferred Stock");

Whereas, prior to the Distribution, Distributing will contribute all of the common stock of Holdco #2 to Controlled in exchange for common stock of Controlled;

Whereas, following the SFXE Exchange, SFXE and its eligible domestic direct and indirect Subsidiaries will cease to be members of the Distributing Consolidated Group;

Whereas, pursuant to a pre-existing binding commitment entered into prior to the SFXE Exchange, Distributing will sell (the "Sale") the Series B Preferred Stock to an unrelated third party investor, and Distributing will recognize a capital loss for U.S. federal income tax and other applicable Tax purposes (the "SFXE Loss");

Whereas, following the Sale and prior to the Distribution, Controlled will contribute the Holdco #2 common stock to one of its wholly-owned Subsidiaries (the "Holdco #2 Contribution");

Whereas, Distributing and Controlled have entered into the Distribution Agreement setting forth the corporate transactions pursuant to which Distributing will distribute all of the outstanding shares of common stock of Controlled to Distributing's stockholders in a transaction intended to qualify as a tax-free distribution under Section 355 and Section 368(a)(1)(D) of the Code;

Whereas, as a result the Distribution, Controlled and its direct and indirect eligible domestic Subsidiaries will cease to be members of the Distributing Consolidated Group;

Whereas, following the SFXE Exchange, Holdco #2 will be a common parent corporation of an affiliated group of corporations, including SFXE and its direct and indirect eligible domestic Subsidiaries, which will elect to file consolidated U.S. federal income tax returns (the "Holdco #2 Consolidated Group"), and following the Distribution, Controlled will be the common parent corporation of an affiliated group of corporations, including its direct and indirect eligible domestic Subsidiaries, but excluding any member of the Holdco #2 Consolidated Group, which will elect to file consolidated U.S. federal income tax returns; and

Whereas, in contemplation of the SFXE Exchange and the Distribution, the Companies desire to enter into this Agreement to provide for the allocation among them of the liabilities for Taxes arising prior to, as a result of and subsequent to the SFXE Exchange and the Distribution, and to provide for and agree upon other matters relating to Taxes;

Agreements

Now, Therefore, in consideration of the mutual agreements contained herein, the Companies hereby agree as follows:

Section 1. Definition and Construction.

Section 1.1. Definitions of Capitalized Terms.

For purposes of this Agreement (including the recitals hereof), the following capitalized terms shall have the meanings set forth below:

"Accounting Cutoff Date" means, with respect to Controlled, any date as of the end of which there is a closing of its financial accounting records.

"Additional Tax" means:

(a) with respect to Post-Deconsolidation Events that result, directly or indirectly, in Distributing not being able to utilize the SFXE Loss, an amount equal to the sum of:

(1) the amount of any Tax refund that the Distributing Consolidated Group would have otherwise received under applicable Tax Law if the SFXE Loss had otherwise been utilizable by the Distributing Consolidated Group and the Distributing Consolidated Group could have carried back the SFXE Loss to one or more Tax Periods prior to the Tax Period during which the SFXE Loss would have otherwise been incurred (the "Loss Year"); and

(2) the product of (i) the amount by which the consolidated capital net income (as defined in Treasury Regulations Section 1.1502-22(a)) of the Distributing Consolidated Group for the Loss Year and each Tax Period thereafter (determined without taking into account any Tax Assets of the Distributing Consolidated Group that may be carried forward or carried back from other Tax Periods) would

have otherwise been reduced by the SFXE Loss (after taking into account any amount of the SFXE Loss which would have been utilized in prior Tax Periods), multiplied by (ii) the highest marginal corporate Tax rate for the applicable Tax Period;

(b) subject to clause (a) above and without duplication, with respect to any Post-Deconsolidation Event that affects the amount of any Tax imposed on or attributable to any Group Member for which Distributing is otherwise responsible under this Agreement, an amount equal to the excess (if any) of (1) the cumulative amount of Tax for which Distributing is otherwise responsible under this Agreement determined after taking into account any and all Post-Deconsolidation Events, over (2) the cumulative amount of Tax that Distributing would otherwise be responsible for under this Agreement determined without taking into account any Post-Deconsolidation Event; and

(c) subject to clause (a) and without duplication, with respect to any Post-Deconsolidation Event that affects a Tax Asset of any Group Member, an amount equal to the Tax Benefits from such Tax Asset that Distributing would have otherwise recognized if such Post-Deconsolidation Event had not occurred.

"Adjustment Request" means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund or credit of Taxes, including (i) any amended Tax Return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, or (ii) any claim for refund or credit of Taxes previously paid.

"Affiliate" means any Person that directly or indirectly is "controlled" by the other Person in question. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise. Except as otherwise provided herein, the term Affiliate shall refer to Affiliates of a Person as determined after the Distribution.

"Agreement" shall have the meaning provided in the preamble.

"AMG Broadcasting Business" means the AMG Broadcasting Business as that term is defined in the Ruling Request.

"Carryback Item" means any net operating loss, net capital loss, excess tax credit or other similar Tax item which may or must be carried from one Tax Period to another Tax Period under the Code or other applicable Tax Law.

"CCB Group" means Clear Channel Broadcasting Inc., a Nevada corporation, and its Subsidiaries as of the time of the Distribution. For purposes of clarification, the term "CCB Group" shall not include any member of either the Controlled Group or the CCO Group.

"CCB International Assets" means those assets located outside the United States and equity interests in foreign Entities that were held by Distributing and its Subsidiaries (including the members of the Controlled Group, the CCB Group and the CCO Group) before the International Restructuring and are held by the CCB Group after the International Restructuring.

"CCO Group" shall mean Clear Channel Outdoor Holdings, Inc., a Delaware corporation, and its Subsidiaries as of the time of the Distribution. For purposes of clarification, the term "CCO Group" shall not include any member of either the Controlled Group or the CCB Group.

"CCO International Assets" means those assets located outside the United States and equity interests in foreign Entities that were held by Distributing and its Subsidiaries (including the members of the Controlled Group, the CCB Group and the CCO Group) before the International Restructuring and are held by the CCO Group after the International Restructuring.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor law.

"Combined Tax Return" means, with respect to any Tax, a Tax Return that is filed on a consolidated, combined or unitary basis and includes at least one Distributing Group Member and at least one Controlled Group Member.

"Companies" means Distributing, Controlled and Holdco #2, collectively, and "Company" means, as the context requires, any one of Distributing , Controlled or Holdco #2.

"Controlled Filed Returns" shall have the meaning provided in Section 4.2.

"Controlled Group" means, collectively, Controlled and its direct and indirect Subsidiaries, including the members of the Holdco #2 Consolidated Group.

"Controlled Group Member" means, individually, each member of the Controlled Group, and the term "Controlled Group Members" means, collectively, as the context requires, all or less than all of the members of the Controlled Group.

"Controlled Indemnitees" shall have the meaning provided in Section 2.1(b).

"Controlled International Assets" means those assets located outside the United States and equity interests in foreign Entities that were held by Distributing and its Subsidiaries (including the members of the Controlled Group, the CCB Group and the CCO Group) before the International Restructuring and are held by the Controlled Group after the International Restructuring.

"Controlled Separate Return" means a Tax Return that includes one or more Controlled Group Members and does not include any Distributing Group Member, including any such Tax Return filed for Federal Income Tax purposes by an affiliated group (as defined in Section 1504 of the Code) of corporations the common parent of which is a Controlled Group Member or any other corporation that is not a Distributing Group Member.

"Controlled's Allocated Tax Liability" shall have the meaning provided in Section 5.1(a).

"Controlled's Cumulative Tax Payment" shall have the meaning provided in Section 5.1(a).

"Controlled's Redetermined Allocated Tax Liability" shall have the meaning provided in Section 5.1(c)(1).

"Controlling Company" shall have the meaning provided in Section 7.2(a).

"Deconsolidation Date" means, with respect to each Controlled Group Member, the date of an applicable Deconsolidation Event.

"Deconsolidation Event" means (i) with respect to each Controlled Group Member that is included in the Distributing Consolidated Group for Federal Income Tax purposes as of the date hereof, any event or transaction occurring after the date hereof, including the Distribution and the SFXE Exchange, that causes such Controlled Group Member to no longer be eligible to be included in the Distributing Consolidated Group for Federal Income Tax purposes; (ii) with respect to each Controlled Group Member that is not eligible to be included in the Distributing Consolidated Group for Federal Income Tax purposes as of the date hereof because it is not an "includible corporation" as defined in Section 1504(b) of the Code, any event or transaction occurring after the date hereof, including the Distribution and the SFXE Exchange, that would cause such Controlled Group Member to no longer be eligible to be included in the Distributing Consolidated Group for Federal Income Tax purposes if such Controlled Group Member were an "includible corporation" as defined in Section 1504(b) of the Code; and (iii) with respect to Holdco #2, the date of its incorporation under the laws of the State of Delaware.

"Default Rate" means a rate of interest equal to the underpayment rate provided in Section 6621(c) of the Code, determined as of the date any applicable payment required to be made under this Agreement is due.

"Distributing Filed Returns" shall have the meaning provided in Section 4.1(a).

"Distributing Consolidated Group" shall have the meaning provided in the recitals to this Agreement.

"Distributing Group" means, collectively, Distributing and its direct and indirect Subsidiaries, including Clear Channel Worldwide Holdings, Inc., a Delaware corporation, but excluding any Controlled Group Member.

"Distributing Group Member" means, individually, each member of the Distributing Group, and the term "Distributing Group Members" means, collectively, as the context requires, all or less than all of the members of the Distributing Group.

"Distributing Indemnitees" shall have the meaning provided in Section 2.1(a).

"Distributing Separate Return" means, with respect to any Tax, a Tax Return that includes only Distributing Group Members.

"Distributing's Allocated Tax Liability" shall have the meaning provided in Section 5.1(b).

"Distributing's Cumulative Tax Payment" shall have the meaning provided in Section 5.1(b).

"Distributing's Redetermined Allocated Tax Liability" shall have the meaning provided in Section 5.1(c)(2).

"Distribution" means the distribution to Distributing stockholders on the Distribution Date of all of the outstanding stock of Controlled owned by Distributing.

"Distribution Agreement" means that certain Master Separation and Distribution Agreement dated December 20, 2005, as amended from time to time, between Distributing and Controlled setting forth the corporate transactions required to effect the distribution to the Distributing stockholders of the outstanding stock of Controlled, and to which this Agreement is attached as an exhibit.

"Distribution Date" means the Distribution Date as that term is defined in the Distribution Agreement.

"Distribution Taxes" means (i) any Taxes, calculated without regard to any Tax Assets of the Distributing Group, imposed on any Distributing Group Member resulting from, or arising in connection with the failure of the Distribution to be tax-free to such Distributing Group Member under the Code, including any Tax resulting from the failure of the Distribution to qualify under Section 355 and Section 368(a)(1)(D) of the Code or the application of Section 355(d) or Section 355(e) of the Code to the Distribution or corresponding provisions of other Tax Laws, and (ii) any and all Losses relating to or arising from claims or lawsuits by stockholders of Distributing resulting from the failure of the Distribution to be tax-free to such stockholders under the Code or corresponding provisions of other applicable Tax Law.

"Entertainment Assets" means the Entertainment Assets as that term is defined in the Distribution Agreement.

"Entity" means a partnership (whether general or limited), a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity, without regard to whether it is treated as a disregarded entity for U.S. federal tax purposes.

"Federal Income Tax" means any Tax imposed by Subtitle A or F of the Code.

"Final Determination" means the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for a Taxable Period, (a) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the Controlling Company, or by a comparable form under the Tax Laws of a state, local or foreign taxing jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of law) the right of the Controlling Company to file a claim for refund or the right of the Tax Authority

to assert a further deficiency in respect of such issue or adjustment or for such Taxable Period (as the case may be); (b) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the Tax Laws of a state, local or foreign taxing jurisdiction; (d) by any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the jurisdiction imposing such Tax; (e) by a final settlement resulting from a treaty-based competent authority determination; or (f) by any other final disposition, including by reason of the expiration of the applicable statute of limitations.

"Foreign Income Tax" means any Tax imposed by any foreign country or any possession of the United States, or by any political subdivision of any foreign country or United States possession, which is an income tax as defined in Treasury Regulations Section 1.901-2.

"Group" means the Distributing Group or the Controlled Group, as the context requires, and the term "Groups" means the Distributing Group and the Controlled Group.

"Group Member" means any Distributing Group Member or any Controlled Group Member.

"Holdco #2 Consolidated Group" shall have the meaning provided in the recitals.

"Holdco #2 Contribution" shall have the meaning provided in the recitals.

"Income Tax" means each of any Federal Income Tax, State Income Tax or Foreign Income Tax, as the context requires.

"Indemnification Expenses" shall have the meaning provided in Section 7.3.

"Indemnified Company" means (i) Distributing, in cases where it is entitled to be indemnified for Losses by Controlled and Holdco #2 under this Agreement, and (ii) Controlled, in cases where it is entitled to be indemnified for Losses by Distributing under this Agreement.

"Indemnifying Company" means (i) Distributing, in cases where it is obligated to indemnify Controlled for Losses under this Agreement, and (ii) Controlled and Holdco #2, in cases where they are obligated to indemnify Distributing for Losses under this Agreement.

"Independent Firm" means a recognized law or accounting firm; provided, however, that such term shall not include any accounting firm that performs or has preformed audit services with respect to Distributing or Controlled.

"IRS" means the Internal Revenue Service.

"International Assets" means, collectively, the CCB International Assets, the Controlled International Assets and the CCO International Assets.

"International Officer's Certificates" means the letters executed by officers of Distributing and Controlled provided to either Skadden, Arps, Slate, Meagher & Flom LLP or Ernst & Young, in connection with the International Tax Opinions.

"International Restructuring" means the restructuring by Distributing of the International Assets to cause the CCB International Assets to be held by CCB Group, the CCE International Assets to the held by Controlled Group and the CCO International Assets to be held by the CCO Group.

"International Restructuring Taxes" means any and all Taxes imposed on or attributable to any Group Member that arise from or are attributable to such Group Member's distribution, transfer, assignment, other disposition, receipt, purchase or other acquisition of International Assets pursuant to the International Restructuring, however effected.

"International Tax Opinions" means each of the opinions of Skadden, Arps, Slate, Meagher & Flom LLP and Ernst & Young, addressing certain U.S. federal income tax consequences of the International Restructuring.

"Joint Taxes" shall have the meaning provided in Section 5.1.

"Letter Ruling" means the rulings by the IRS delivered to Distributing in connection with the Distribution.

"Loss" means any loss, cost, fine, penalty, fee, damage, obligation, liability, payment in settlement, Tax or other expense of any kind, including reasonable attorneys' fees and costs, but excluding any consequential, special, punitive or exemplary damages.

"Officer's Certificate" means the letters executed by officers of Distributing and Controlled provided to Skadden, Arps, Slate, Meagher & Flom LLP, in connection with the Tax Opinion.

"Other Tax" means any Tax that is not an Income Tax, including any value added tax, any real or personal property Tax, any flat minimum dollar Tax, any withholding Tax or any capital duty tax.

"Payment Date" means (i) with respect to any Federal Income Tax, each of the due date for any required installment of estimated taxes determined under Section 6655 of the Code, the due date (determined without regard to extensions) for filing any Tax Return determined under Section 6072 of the Code and the date any Tax Return is filed, and (ii) with respect to any other Tax, the corresponding dates determined under the applicable Tax Law.

"Payment Period" shall have the meaning provided in Section 5.5.

"Person" means an individual, any Entity or a governmental entity or any department, agency or political subdivision thereof.

"Post-Deconsolidation Events" shall have the meaning provided in Section 2.6(c).

"Post-Deconsolidation Period" means, with respect to any Income Tax, any Tax Period beginning after an applicable Deconsolidation Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning on the day after the applicable Deconsolidation Date.

"Pre-Deconsolidation Period" means, with respect to any Income Tax, any Tax Period ending on or before the applicable Deconsolidation Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending on and including the applicable Deconsolidation Date.

"Prior Tax Allocation Agreements" means any written or oral agreement or any other arrangements relating to allocation of Taxes existing between or among any Distributing Group Member and any Controlled Group Member as of the Distribution Date (other than this Agreement).

"Reimbursement Statement" shall have the meaning provided in Section 7.3.

"Ruling\Opinion Documents" means the Ruling Request, the Letter Ruling, the Officer's Certificate and the Tax Opinion, including any and all any amendments and supplements to the foregoing.

"Ruling Request" means the letter filed by Distributing with the IRS requesting a ruling from the IRS regarding certain U.S. federal income tax consequences of the Transactions (including all attachments, exhibits and other materials submitted with such ruling request letter) and any amendment or supplement to such ruling request letter.

"Sale" shall have the meaning provided in the recitals to this Agreement.

"Separate Company Tax" means any Tax computed by reference to the assets and activities of a member or members of a single Group.

"Series A Preferred Stock" shall have the meaning provided in the recitals.

"Series B Preferred Stock" shall have the meaning provided in the recitals.

"SFXE Loss" shall have the meaning provided in the recitals.

"Straddle Period" means any Tax Period that begins on or before and ends after any applicable Deconsolidation Date.

"State Income Tax" means any Tax imposed by any state of the United States, the District of Columbia or any political subdivision of the foregoing, which is imposed on or measured, in whole or in part, by income, capital or net worth or a taxable base in the nature of income, capital or net worth, including franchise Taxes based on such factors.

"Subsidiary" means, with respect to any Person, each Entity that such Person directly or indirectly owns, beneficially or of record (i) an amount of voting securities of other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's board of directors or other governing body or (ii) at least 50% of the outstanding equity or financial interests of such Entity.

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, capital duty, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, ad valorem, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, value added, alternative minimum, estimated or other similar tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax) imposed by any governmental entity or political subdivision thereof, and any interest, penalties, additions to tax or additional amounts in respect of the foregoing.

"Tax Asset" means any Tax Item that has accrued for Tax purposes, but has not been used during a Taxable Period, and that could reduce a Tax in another Taxable Period, including a net operating loss, net capital loss, investment tax credit, foreign tax credit, research and experimentation credit, charitable deduction or credit related to alternative minimum tax or any other Tax credit.

"Tax Authority" means, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such governmental entity or political subdivision, including the IRS.

"Tax Benefit" means any refund, credit or other reduction in otherwise required Tax payments (including any reduction in estimated Tax payments).

"Tax Contest" means an audit, review, examination or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes of any member of any Group (including any administrative or judicial review of any claim for refund) for any Tax Period.

"Tax Detriment" means an increase in the Tax liability of any Group Member for any Taxable Period or a decrease in a Tax Asset of any Group Member. Except as otherwise provided in this Agreement, a Tax Detriment shall be deemed to have been realized from a Tax Item in a Taxable Period only if and to the extent that the Tax liability of the Group Member for such Tax Period, after taking into account the effect of the Tax Item on the Tax liability of such Group Member in the current Tax Period and all prior Tax Periods, is more than it would have been if such Tax liability were determined without regard to such Tax Item.

"Tax Item" means, with respect to any Tax, any item of income, gain, loss, deduction or credit, or other attribute that may have the effect of increasing or decreasing any Tax.

"Tax Law" means the law of any governmental entity or political subdivision thereof relating to any Tax, including the Code.

"Tax Opinion" means the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, addressing certain U.S. federal income tax consequences of the Distribution under Sections 368 and 355 of the Code.

"Tax Period" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

"Tax Records" means Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests and any other books of account or records required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

"Tax Return" means any report of Taxes due, any claims for refund of Taxes paid, any information return with respect to Taxes or any other similar report, statement, declaration or document required to be filed under the Code or other Tax Law, including any attachments, exhibits or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Theater Business" means the Theater Business as that term is defined in the Ruling Request.

"Transactions" means the transactions contemplated by the Distribution Agreement.

Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

Other capitalized terms defined elsewhere in this Agreement shall have the meanings given them.

Section 1.2. Construction.

Unless the context otherwise requires: (i) references to a Section (other than in connection with the Code or the Treasury Regulations) refer to a section of this Agreement; (ii) the word "including" shall mean "including, but not limited to"; and (iii) words used in the singular shall also denote the plural, and words used in the plural shall also denote the singular. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 2. Indemnification; Allocation of Responsibility for Taxes.

Section 2.1. Indemnification.

(a) Distributing's Indemnity of Controlled.

Distributing shall indemnify Controlled, each other Controlled Group Member and their respective directors, officers and employees (collectively, the "Distributing Indemnitees"), and hold them harmless from and against any and all Losses that arise from or are attributable to:

(1) any and all Taxes that are specifically allocated to or the responsibility of Distributing under this Agreement;

(2) any failure by Distributing to make a payment required by this Agreement to Controlled when due; and

(3) any breach or nonperformance by Distributing of any of its representations, warranties or covenants contained in this Agreement.

(b) Controlled's and Holdco #2's Indemnity of Distributing.

Controlled and Holdco #2 shall, jointly and severally, indemnify Distributing, each other Distributing Group Member and their respective directors, officers and employees (collectively, the "Controlled Indemnitees"), and hold them harmless from and against any and all Losses that arise from or are attributable to:

(1) any and all Taxes that are specifically allocated to or the responsibility of Controlled under this Agreement;

(2) any failure by Controlled to make a payment required by this Agreement to Distributing when due; and

(3) any breach or nonperformance by Controlled of any of its representations, warranties or covenants contained in this Agreement.

Section 2.2. Allocation of Federal Income Taxes.

Except as provided in Section 2.6, the responsibility for Federal Income Taxes imposed on or attributable to any Group Member shall be allocated between Distributing and Controlled as follows:

(a) Distributing's Responsibility for Federal Income Taxes.

Distributing shall be responsible for any and all Federal Income Taxes, including any adjustment to such Federal Income Taxes as a result of a Final Determination, to the extent such Federal Income Taxes are imposed on or are attributable to (i) any Distributing Group Member with respect to any Tax Period and (ii) any Controlled Group Member with respect to any Pre-Deconsolidation Period applicable to such Controlled Group Member.

(b) Controlled's Responsibility for Federal Income Taxes.

Controlled shall be responsible for any and all Federal Income Taxes, including any adjustment to such Federal Income Taxes as a result of a Final Determination, that are imposed on or are attributable to any Controlled Group Member with respect to any Post-Deconsolidation Period applicable to such Controlled Group Member.

Section 2.3. Allocation of State Income Taxes.

Except as provided in Section 2.6, the responsibility for any and all State Income Taxes imposed on or attributable to any Group Member shall be allocated between Distributing and Controlled as follows:

(a) Distributing's Responsibility for State Income Taxes.

Distributing shall be responsible for any and all State Income Taxes, including any adjustment to such State Income Taxes as a result of a Final Determination, to the extent such State Income Taxes are imposed on or are attributable to (i) any Distributing Group Member with respect to any Tax Period and (ii) any Controlled Group Member with respect to any Pre-Deconsolidation Period applicable to such Controlled Group Member.

(b) Controlled's Responsibility for State Income Taxes.

Controlled shall be responsible for any and all State Income Taxes, including any adjustment to such State Income Taxes as a result of a Final Determination, that are imposed on or are attributable to any Controlled Group Member with respect to any Post-Deconsolidation Period applicable to such Controlled Group Member.

Section 2.4. Foreign Income Taxes.

Except as provided in Section 2.6, the responsibility for Foreign Income Taxes that are imposed on or are attributable to any Group Member shall be allocated between Distributing and Controlled as follows:

(a) Distributing's Responsibility for Foreign Income Taxes.

Distributing shall be responsible for any and all Foreign Income Taxes, including any adjustment to such Foreign Income Taxes as a result of a Final Determination, to the extent such Foreign Income Taxes are imposed on or are attributable to any Distributing Group Member with respect to any Tax Period.

(b) Controlled's Responsibility for Foreign Income Taxes.

Controlled shall be responsible for any and all Foreign Income Taxes, including any adjustment to such Foreign Income Tax as a result of a Final Determination, to the extent such Foreign Income Taxes are imposed on or are attributable to any Controlled Group Member with respect to any Tax Period.

Section 2.5. Allocation of Other Taxes.

Except as provided in Section 2.6, the responsibility for Other Taxes imposed on or attributable to any Group Member shall be allocated between Distributing and Controlled as follows:

(a) Distributing's Responsibility for Other Taxes.

Distributing shall be responsible for any and all Other Taxes, including any adjustment to such Other Taxes as a result of a Final Determination, to the extent such Other Taxes are imposed on or attributable to any Distributing Group Member with respect to any Tax Period.

(b) Controlled's Responsibility for Other Taxes.

Controlled shall be responsible for any and all Other Taxes, including any adjustment to such Other Taxes as a result of a Final Determination, to the extent such Other Taxes are imposed on or are attributable to any Controlled Group Member with respect to any Tax Period.

(c) Other Taxes Imposed on Multiple Group Members.

Notwithstanding anything to the contrary in Section 2.5(a) or (b), with respect to any Other Taxes for any Taxable Period that are imposed under applicable Tax Law on one or more Distributing Group Members and one or more Controlled Group Members:

(1) Distributing shall be responsible for any and all such Other Taxes, including any adjustment to such Other Taxes as a result of a Final Determination, to the extent any Distributing Group Member is primarily responsible for such Other Taxes under applicable Tax Law; and

(2) Controlled shall be responsible for any and all such Other Taxes, including any adjustment to such Other Taxes as a result of a Final Determination, to the extent any Controlled Group Member is primarily responsible for such Other Taxes under applicable Tax Law.

Section 2.6. Distribution Taxes; International Restructuring Taxes; Additional Taxes.

(a) Distribution Taxes.

Notwithstanding any other provision of this Agreement to the contrary, the following provisions shall apply:

(1) Distributing's Responsibility for Distribution Taxes. Distributing shall be responsible for one hundred percent (100%) of any Distribution Taxes that result from one or more of the following:

(i) any act, failure to act or omission of or by any Distributing Group Member that is inconsistent with any material, information, covenant or representation in the Officer's Certificate or the Ruling Request;

(ii) any act, failure to act or omission of or by any Distributing Group Member after the Distribution Date, including a cessation, transfer to Affiliates or disposition of the AMG Broadcasting Business, or an issuance of stock, stock buyback or payment of an extraordinary dividend by any Distributing Group Member following the Distribution Date;

(iii) any acquisition of any stock or assets of any Distributing Group Member by one or more Persons prior to or following the Distribution; or

(iv) any issuance by any Distributing Group Member, or change in ownership of stock of any Distributing Group Member, that causes Section 355(d) or Section 355(e) of the Code to apply to the Distribution.

(2) Controlled's Responsibility for Distribution Taxes. Controlled shall be responsible for one hundred percent (100%) of any Distribution Taxes that result from one or more of the following:

(i) any act, failure to act or omission of or by any Controlled Group Member that is inconsistent with any material, information, covenant or representation in the Officer's Certificate or the Ruling Request;

(ii) any act, failure to act or omission of or by any Controlled Group Member after the Distribution Date, including a cessation, transfer to Affiliates or disposition of the Theater Businesses, or an issuance of stock, stock buyback or payment of an extraordinary dividend by any Controlled Group Member following the Distribution Date;

(iii) any acquisition of any stock or assets of any Controlled Group Member by one or more Persons prior to or following the Distribution Date; or

(iv) any issuance by any Controlled Group Member, or change in ownership of stock of any Controlled Group Member, that causes Section 355(d) or Section 355(e) of the Code to apply to the Distribution.

(3) Joint Responsibility for Distribution Taxes. The responsibility for any Distribution Taxes not allocated under Section 2.6(b)(1) or (2) shall be borne fifty percent (50%) by Distributing and fifty percent (50%) by Controlled.

(b) International Restructuring Taxes.

Except as provided in Section 2.6(a), but notwithstanding any other provision of this Agreement to the contrary, the responsibility for International Restructuring Taxes imposed on or attributable to any Group Member shall be allocated between Distributing and Controlled as follows:

(1) Distributing's Responsibility for International Restructuring Taxes. Except as provided in Section 2.6(b)(2), Distributing shall be responsible for any and all International Restructuring Taxes, including any adjustment to such International Restructuring Taxes as a result of a Final Determination, that are imposed on or attributable to any Group Member with respect to any Tax Period.

(2) Controlled's Responsibility for International Restructuring Taxes. Notwithstanding Section 2.6(b)(1), Controlled shall be responsible for any and all International Restructuring Taxes, including any adjustment to such International Restructuring Taxes as a result of a Final Determination, that are imposed on or

attributable to any Group Member to the extent that such International Restructuring Taxes result from one or more of the following:

(i) any act, failure to act or omission of or by any Controlled Group Member that is inconsistent with any material, information, covenant or representation in the International Officer's Certificates;

(ii) any act, failure to act or omission of or by any Controlled Group Member after an applicable Deconsolidation Event;

(iii) any acquisition of any stock or assets of any Controlled Group Member by one or more Persons following an applicable Deconsolidation Event; or

(iv) any issuance by any Controlled Group Member, or change in ownership of stock of any Controlled Group Member, after an applicable Deconsolidation Event that causes Section 355(d) or Section 355(e) of the Code to apply to the International Restructuring.

(c) Additional Taxes.

Except as provided in Section 2.6(a) and (b), but notwithstanding any other provision of this Agreement to the contrary, Controlled shall be responsible for one hundred percent (100%) of any Additional Taxes, determined for each applicable Tax Period, imposed on any Group Member that result or arise, in whole or in part, from any act, failure to act, event or transaction that relates to the stock, assets or business of any Controlled Group Member that occurs after the applicable Deconsolidation Event of such Controlled Group Member or any Controlled Group Member's breach of any representation, covenant or agreement contained in this Agreement that occurs after the applicable Deconsolidation Event of such Controlled Group Member ("Post-Deconsolidation Events"), including:

(1) Additional Taxes resulting or arising from Distributing not being able to utilize the SFXE Loss for Tax purposes as a result of Post-Deconsolidation Events; and

(2) Additional Taxes resulting or arising from any Controlled Group Member failing to provide assistance and cooperation to Distributing in accordance with Section 6.1 or failing to retain Tax Records in accordance with Section 6.2.

Section 3. Proration of Taxes; Allocation of Tax Items.

For purposes of apportioning Taxes and Tax Items between Pre-Deconsolidation Periods and Post-Deconsolidation Periods and for purposes of preparing and filing Tax Returns under this Agreement, the following provisions shall apply:

Section 3.1. Proration of Tax Items.

(a) General Method.

Except as provided in Section 3.1(b), in the case of any Straddle Period, Tax Items shall be apportioned between Pre-Deconsolidation Periods and Post-Deconsolidation Periods in accordance with the principles of Treasury Regulations Section 1.1502-76(b) or an applicable corresponding provision under the Tax Laws of any state, local or foreign jurisdiction, as such corresponding provision is reasonably interpreted and applied by Distributing. No election shall be made under Treasury Regulations Section 1.1502-76(b)(2)(ii) (relating to ratable allocation of a year's items). If any applicable Deconsolidation Date is not an Accounting Cutoff Date, the principles of Treasury Regulations Section 1.1502-76(b)(2)(iii) will be applied to ratably allocate the Tax Items (other than extraordinary items) for the month which includes the applicable Deconsolidation Date.

(b) Transaction Tax Items.

In determining the apportionment of Tax Items between Pre-Deconsolidation Periods and Post-Deconsolidation Periods, any Tax Items relating to the Transactions shall be treated as extraordinary items described in Treasury Regulations Section 1.1502-76(b)(2)(ii)(C) and shall be allocated to Pre-Deconsolidation Periods, and any Taxes related to such Tax Items shall be treated under Treasury Regulations Section 1.1502-76(b)(2)(iv) as relating to such extraordinary item and shall be allocated to Pre-Deconsolidation Periods.

Section 3.2. Combined Tax Returns.

With respect to any Combined Tax Return that includes Tax Items of one or more Controlled Group Members that are allocable to any Post-Deconsolidation Period in accordance with the other provisions of this Agreement, the Income Taxes that are treated as imposed on or attributable to any such Controlled Group Members in the aggregate for purposes of this Agreement shall be deemed equal to the amount of Income Taxes that would result if all Controlled Group Members for whom a Deconsolidation Event has occurred and included in such Combined Tax Return had filed a consolidated, combined or unitary Tax Return based solely on their income, apportionment factors and other Tax Items included in such Combined Tax Return that are allocable to a Post-Deconsolidation Period in accordance with the other provisions of this Agreement.

Section 3.3. Allocation of Tax Assets and Earnings & Profits.

(a) Allocation of Tax Assets.

In connection with any Deconsolidation Event, Distributing shall determine in accordance with applicable Tax Laws the allocation of any applicable Tax Assets among Distributing, each other Distributing Group Member, Controlled and each other Controlled Group Member. The Companies hereby agree that in the absence of controlling legal authority or unless otherwise provided under this Agreement, each Tax Asset shall be allocated to the Group Member who generated such Tax Asset (other than with respect to any Tax Asset created by reason of a contribution to the capital of Controlled by Distributing on or before the

Distribution Date, in which case Distributing shall be permitted to retain such Tax Asset). Notwithstanding the foregoing, the Companies agree that the SFXE Loss is a Tax Asset of and shall be allocated to Distributing.

(b) Earnings and Profits.

Distributing shall advise Controlled in writing of the decrease in Distributing's earnings and profits attributable to any Deconsolidation Event under Section 312(h) of the Code on or before the first anniversary of the applicable Deconsolidation Date; provided, however, that Distributing shall provide Controlled with estimates of such amounts (determined in accordance with past practice) prior to such anniversary as reasonably requested by Controlled.

Section 4. Preparation and Filing of Tax Returns.

Section 4.1. Distributing's Responsibility.

(a) Distributing Filed Returns.

Distributing shall have the exclusive obligation and right to prepare and file, or to cause to be prepared and filed, all Tax Returns that include any Group Member if Distributing is responsible under this Agreement for any portion of the Taxes reported on such Tax Returns ("Distributing Filed Returns"), including (i) all Distributing Separate Returns, (ii) all Combined Tax Returns, (iii) all Controlled Separate Returns for which Distributing is responsible for any portion of any Federal Income Tax, State Income Tax or International Restructuring Tax reported on such Controlled Separate Return, and Distributing shall have the exclusive obligation and right to prepare and file, or to cause to be prepared and filed, all Adjustment Requests made with respect to Distributing Filed Returns. Controlled and Holdco #2 shall, and shall cause each other Controlled Group Member to, assist and cooperate with Distributing in accordance with Section 6 with respect to the preparation and filing of all Distributing Filed Returns, including providing information required to be provided in Section 6. In the case of any Distributing Filed Return which is required by applicable Tax Law to be signed by any Controlled Group Member (or by its authorized representative), Controlled and Holdco #2 shall cause such Controlled Group Member (or its authorized representative) to sign such Distributing Filed Tax Return.

(b) Election to Join Combined Returns.

Controlled and Holdco #2 shall cause each Controlled Group Member to elect and join in filing Combined Tax Returns with any Distributing Group Member that Distributing reasonably determines are required to be filed under applicable Tax Laws or will result in the minimization of the net present value of the aggregate Tax to the Group Members eligible to join in such Combined Tax Returns.

(c) Appointment as Agent.

Each of Controlled and Holdco #2 hereby irrevocably designates, and agrees to cause each other Controlled Group Member to so designate, Distributing as its sole and exclusive agent and attorney-in-fact to take such action (including execution of documents) as Distributing, in its

sole discretion, may deem appropriate in any and all matters (including Tax Contests) relating to any Combined Tax Return.

Section 4.2. Controlled Filed Returns.

Controlled shall have the exclusive obligation and right to prepare and file, or to cause to be prepared and filed, all Controlled Separate Returns that are not Distributing Filed Returns ("Controlled Filed Returns"), and Controlled shall have the exclusive obligation and right to prepare and file, or to cause to be prepared and filed, all Adjustment Requests made with respect to Controlled Filed Returns.

Section 4.3. Tax Accounting Practices.

(a) In General.

Except as otherwise provided in Section 4.3(b), to the extent the Tax accounting practices or reporting position with respect to Tax Items reported on any Controlled Filed Return might reasonably affect any Tax liability for which Distributing is responsible under this Agreement, Controlled shall prepare such Controlled Filed Return and report such Tax Items in a manner that is consistent with Distributing's past Tax accounting practices and reporting positions with respect to such Tax Items (unless such past Tax accounting practices or reporting positions are no longer permissible under the Code or other applicable Tax Law), and to the extent any Tax Items are not covered by past Tax accounting practices or reporting positions (or in the event such past Tax accounting practices or reporting positions are no longer permissible under the Code or other applicable Tax Law), in accordance with reasonable Tax accounting practices and reporting positions selected by Distributing.

(b) Reporting of Transaction Tax Items.

The Tax treatment reported on any Tax Return of Tax Items relating to the Transactions shall be consistent with the treatment of such Tax Items in the Ruling\Opinion Documents (unless such treatment is not permissible under the Code or other applicable Tax Law). To the extent there is a Tax Item relating to the Transactions which is not covered by the Ruling\Opinion Documents, Distributing shall determine the proper Tax treatment of any such Tax Item and the method for reporting such Tax Item on any Tax Return. Such treatment and reporting method shall be used by Controlled in preparing and filing any Controlled Filed Return unless either (i) there is no reasonable basis for such Tax treatment or (ii) such Tax treatment is inconsistent with the Tax treatment contemplated in the Ruling\Opinion Documents. To the extent any Controlled Filed Return includes a Tax Item relating to the Transactions, Controlled shall submit a copy of such Controlled Filed Return to Distributing for its review. Controlled shall use its reasonable best efforts to make such Controlled Filed Return available for Distributing's review sufficiently in advance of the due date for filing such Controlled Filed Return to provide Distributing with a meaningful opportunity to analyze and comment on such Controlled Filed Return and have such Controlled Filed Return modified before filing. Any dispute regarding the proper Tax treatment of any Tax Item relating to the Transactions shall be referred for resolution pursuant to Section 9, sufficiently in advance of the filing date of such

Controlled Filed Return (including extensions) to permit the timely filing of the Controlled Filed Return.

Section 4.4. Right to Review Combined Tax Returns.

Distributing shall make any Combined Tax Return and related workpapers available for review by Controlled, if requested, to the extent (i) such Combined Tax Return relates to Taxes for which Controlled may be responsible under this Agreement or (ii) Controlled reasonably determines that it must inspect such Combined Tax Return to confirm its compliance with the terms of this Agreement. Distributing shall use its reasonable best efforts to make such Combined Tax Return available for review as required under this paragraph sufficiently in advance of the due date for filing such Combined Tax Return to provide Controlled with a meaningful opportunity to analyze and comment on such Combined Tax Return and have such Combined Tax Return modified before filing. Distributing and Controlled shall attempt in good faith to resolve any issues arising out of the review of such Combined Tax Returns.

Section 4.5. Adjustment Requests; Carrybacks; Utilization of Tax Assets.

(a) Adjustment Requests and Carrybacks Requiring Distributing's Consent.

Except as otherwise required by applicable Tax Law or unless Distributing otherwise consents in writing, Controlled and Holdco #2 hereby agree to cause each Controlled Group Member (i) to not make any Adjustment Request with respect to any Income Tax for any Pre-Deconsolidation Period applicable to such Controlled Group Member and (ii) to make any available elections to relinquish the right to claim in any Pre-Deconsolidation Period any Carryback Items of any Controlled Group Member arising in a Post-Deconsolidation Period, including making the election under Section 172(b)(3) of the Code (and any similar provision of any other applicable Tax Laws) to relinquish the right to carry back net operating losses. With respect to any Adjustment Request to which Distributing grants its consent under the preceding sentence, Controlled shall reimburse Distributing for its legal, accounting, administrative and other related expenses incurred in preparing, filing and making any such Adjustment Request.

(b) Carrybacks to Pre-Deconsolidation Periods.

Notwithstanding Section 4.5(a), if any Controlled Group Member is required by applicable Tax Law to carry back a Carryback Item arising in a Post-Deconsolidation Period to a Pre-Deconsolidation Period, the Companies agree that any Carryback Item of any Distributing Group Member that may be carried back to the same Pre-Deconsolidation Period shall be deemed to be used before any Carryback Item of any Controlled Group Member. If any Distributing Group Member receives a refund or realizes a Tax Benefit as a result of a Carryback Item of any Controlled Group Member arising in a Post-Deconsolidation Period being carried back to a Pre-Deconsolidation Period, Distributing shall make a payment to Controlled in an amount equal to such refund or the realized Tax Benefit within 30 days following either the receipt of such refund or the filing of the Tax Return reflecting the realization of such Tax Benefit.

(c) Other Adjustment Requests Permitted.

With respect to any Tax imposed on or attributable to any Group Member for any applicable Pre-Deconsolidation Period, Distributing may make an Adjustment Request with respect to such Tax, including carrying back a Carryback Item of any Distributing Group Member arising in a Post-Deconsolidation Period to any Pre-Deconsolidation Period. Any refund or other Tax Benefit obtained as a result of any such Adjustment Request pursuant to the preceding sentence shall be for the account of Distributing, and Distributing shall have no obligation to compensate or make a payment to any Controlled Group Member in the event any such Adjustment Request results in a Tax Detriment to any Controlled Group Member.

(d) Utilization of Tax Assets.

With respect to each Combined Tax Return and any adjustment to the Income Taxes reflected on a Combined Tax Return as a result of a Tax Contest, Adjustment Request or otherwise, each Group Member included in such Combined Tax Return shall be entitled to use, in accordance with applicable Tax Laws, any and all Tax Assets of each other Group Member included in such Combined Tax Return. Except as provided in Section 5.1(d) with respect to Joint Taxes, no Group Member that utilizes the Tax Assets of any other Group Member shall be required to compensate or make any payment to such other Group Member with respect to the utilization of such Tax Assets.

Section 5. Payments Under this Agreement.

Section 5.1. Joint Taxes.

With respect to any Tax for any Taxable Period for which Distributing and Controlled are each responsible for a portion of such Tax under this Agreement (a "Joint Tax"), the following provisions shall apply:

(a) Joint Taxes Relating to Combined Tax Returns.

With respect to any Joint Tax that is reflected or reported on any Combined Tax Return, Distributing shall determine the amount of such Joint Tax that Controlled is responsible for under Section 2 ("Controlled's Allocated Tax Liability"). At least 15 days prior to an applicable Payment Date, Distributing shall deliver to Controlled a statement setting forth in appropriate detail Distributing's determination of Controlled's Allocated Tax Liability and the amount (if any) of the cumulative net payments made with respect to such Joint Tax prior to the date of such statement by the Controlled Group ("Controlled's Cumulative Tax Payment"). Not more than 30 days after Controlled's receipt of such statement, Controlled shall pay Distributing an amount equal to the excess (if any) of Controlled's Allocated Tax Liability, over Controlled's Cumulative Tax Payment. If Controlled's Cumulative Tax Payment is greater than Controlled's Allocated Tax Liability, then Distributing shall pay such excess to Controlled within 30 days of Distributing's receipt of the corresponding Tax Benefit (i.e., through either a reduction in Distributing's otherwise required Tax payment or a refund of prior Tax payments).

(b) Other Joint Taxes.

With respect to any Joint Tax not described in Section 5.1(a), Controlled shall determine the amount of such Joint Tax that Distributing is responsible for under Section 2 ("Distributing's Allocated Tax Liability"). At least 15 days prior to an applicable Payment Date, Controlled shall deliver to Distributing a statement setting forth in appropriate detail Controlled's determination of Distributing's Allocated Tax Liability and the amount (if any) of the cumulative net payments made with respect to such Joint Tax prior to the date of such statement by the Distributing Group ("Distributing's Cumulative Tax Payment"). Not more than 30 days after Distributing's receipt of such statement, Distributing shall pay Controlled an amount equal to the excess (if any) of Distributing's Allocated Tax Liability, over Distributing's Cumulative Tax Payment. If Distributing's Cumulative Tax Payment is greater than Distributing's Allocated Tax Liability, then Controlled shall pay such excess to Distributing within 30 days of Controlled's receipt of the corresponding Tax Benefit (i.e., through either a reduction in Controlled's otherwise required Tax payment or a refund of prior Tax payments).

(c) Adjustments to Joint Taxes.

(1) If there is any adjustment to any Joint Tax described in this Section 5.1(a), whether as a result of a Tax Contest, Adjustment Request or otherwise, Distributing shall redetermine Controlled's Allocated Tax Liability ("Controlled's Redetermined Allocated Tax Liability"). After determining Controlled's Redetermined Allocated Tax Liability, Distributing shall deliver to Controlled a statement setting forth in appropriate detail Distributing's determination of Controlled's Redetermined Allocated Tax Liability and the amount (if any) of Controlled's Cumulative Tax Payments made with respect to such Joint Tax prior to the date of such statement. Not more than 30 days after Controlled's receipt of such statement, Controlled shall pay Distributing an amount equal to the excess (if any) of Controlled's Redetermined Allocated Tax Liability, over Controlled's Cumulative Tax Payments. If Controlled's Cumulative Tax Payment is greater than Controlled's Redetermined Allocated Tax Liability, then Distributing shall pay such excess to Controlled within 30 days of Distributing's receipt of the corresponding Tax Benefit (i.e., through either a reduction in Distributing's otherwise required Tax payment or a refund of prior Tax payments).

(2) If there is any adjustment to any Joint Tax described in this Section 5.1(b), whether as a result of a Tax Contest, Adjustment Request or otherwise, Controlled shall redetermine Distributing's Allocated Tax Liability ("Distributing's Redetermined Allocated Tax Liability"). After determining Distributing's Redetermined Allocated Tax Liability, Controlled shall deliver to Distributing a statement setting forth in appropriate detail Controlled's determination of Distributing's Redetermined Allocated Tax Liability and the amount (if any) of Distributing's Cumulative Tax Payments made with respect to such Joint Tax prior to the date of such statement. Not more than 30 days after Distributing's receipt of such statement, Distributing shall pay Controlled an amount equal to the excess (if any) of Distributing's Redetermined Allocated Tax Liability, over Distributing's Cumulative Tax Payments. If Distributing's

Cumulative Tax Payment is greater than Distributing's Redetermined Allocated Tax Liability, then Controlled shall pay such excess to Distributing within 30 days of Controlled's receipt of the corresponding Tax Benefit (i.e., through either a reduction in Controlled's otherwise required Tax payment or a refund of prior Tax payments).

(d) Payments for Use of Tax Assets.

If a Distributing Group Member realizes a Tax Benefit with respect to any Joint Tax upon its utilization of a Tax Asset of a Controlled Group Member, Distributing shall make a payment to Controlled equal to the Tax Benefit realized to the extent such utilized Tax Asset of the Controlled Group Member arose or accrued during any Post-Deconsolidation Period applicable to such Controlled Group Member. If a Controlled Group Member realizes a Tax Benefit with respect to any Joint Tax upon its utilization of a Tax Asset of a Distributing Group Member, Controlled shall make a payment to Distributing equal to the Tax Benefit realized to the extent such utilization occurs during any Post-Deconsolidation Period applicable to such Controlled Group Member. Any payment required to be made under this Section 5.1(d) shall be paid within 30 days following either the receipt of a refund or the filing of the Tax Return reflecting the realization of such Tax Benefit.

Section 5.2. Payments to Tax Authority.

With respect to each Tax Return that a Company is required to prepare and file under this Agreement, such Company shall pay, or cause to be paid, to the applicable Tax Authority when due (including extensions) all Taxes determined to be due and payable. With respect to any Joint Taxes described in Section 5.1(a), Distributing shall pay, or cause to be paid, to the applicable Tax Authority when due such Joint Taxes. With respect to any Joint Taxes described in Section 5.1(b), Controlled shall pay, or cause to be paid, to the applicable Tax Authority when due such Joint Taxes.

Section 5.3. Timing of Payments.

In the event a Company is required to make a payment to the other Company under this Agreement and the time for making such payment is not otherwise provided for in this Agreement, the first Company shall make such payment within 30 days of its receipt of such other Company's written demand for such payment, which written demand shall include in reasonable detail an explanation and computation of the amount due.

Section 5.4. Tax Treatment of Payments.

Unless otherwise required by applicable Tax Law, the Companies agree that any payments made by one Company to the other Companies (other than any reimbursement of expense pursuant to Section 4.5(a), payments for Joint Taxes pursuant to Section 5.1(b) and interest payments pursuant to Section 5.5) pursuant to this Agreement shall be treated for all Tax and financial accounting purposes as nontaxable payments (dividend distributions or capital contributions, as the case may be) made immediately prior to the Distribution and, accordingly, as not includible in the Taxable income of the recipient Company or as deductible by the payor Company. If, notwithstanding the previous sentence, there is a Final Determination that the

recipient Company's receipt of such payment is subject to Tax, the payor Company shall pay to the recipient Company an additional amount that, when added to the prior payment, will result in the recipient Company receiving an amount equal to such prior payment, after taking into account all Taxes that are payable by the recipient Company with respect to the receipt of such prior payment and such additional amount.

Section 5.5. Interest.

Any payment that is not made within the period prescribed in this Agreement (the "Payment Period") shall bear interest at the Default Rate, compounded semiannually, for the period from and including the date immediately following the last date of the Payment Period through and including the date of payment. Notwithstanding Section 5.4, the interest payment shall be treated as interest expense to the payor (deductible to the extent provided by applicable Tax Law) and as interest income by the recipient (includible in income to the extent provided by applicable Tax Law).

Section 6. Assistance and Cooperation; Retention of Tax Records.

Section 6.1. Assistance and Cooperation.

Controlled and Holdco #2 shall cause each Controlled Group Member to cooperate with Distributing and its agents, including accounting firms and legal counsel, in connection with Tax matters relating to Group Members including (i) the preparation and filing of Tax Returns, (ii) determining the liability for and the amount of any Taxes due (including estimated Taxes) or the right to an amount of any refund of Taxes and (iii) any Tax Contest. Such cooperation shall include making all information and documents, including Tax Records, in any Controlled Group Member's possession relating to any Group Member available to Distributing for inspection during normal business hours upon reasonable notice and, upon request by Distributing, providing copies, at Controlled's expense, of such information and documents, including Tax Records. Controlled shall also make available to Distributing, as reasonably requested and available, personnel (including each Controlled Group Member's officers, directors, employees and agents) responsible for preparing, maintaining and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any Tax Contest. Any information or documents provided under this Section 6 shall be kept confidential by Distributing, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any Tax Contest.

Section 6.2. Retention of Tax Records.

Each Company shall preserve and keep all Tax Records exclusively relating to Separate Company Taxes of their respective Groups for Pre-Deconsolidation Periods, and Distributing shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Deconsolidation Periods, for so long as the contents thereof may become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (i) the expiration of any applicable statutes of limitation, and (ii) seven years after the date of the Distribution. If, prior to the expiration of the applicable statute of limitation and such seven-year period, a Company reasonably determines that any Tax Records which it is required

to preserve and keep under this Section 6.2 are no longer material in the administration of any matter under the Code or other applicable Tax Law, such Company may dispose of such Tax Records upon 90 days prior notice to the other Companies. Such notice shall include a list of the Tax Records to be disposed of describing in reasonable detail each file, book or other record accumulation being disposed. The notified Company shall have the opportunity, at its cost and expense, to copy or remove, within such 90-day period, all or any part of such Tax Records.

Section 7. Tax Contests.

Section 7.1. Notice.

Each of the Companies shall provide prompt notice to the other Companies of any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware that could affect any Tax liability for which any of the other Companies may be responsible under this Agreement, provided, however, that failure to give prompt notice shall not affect the indemnification obligations hereunder except to the extent the Indemnifying Company is actually prejudiced thereby. Such notice shall contain factual information (to the extent known) describing such matters in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters.

Section 7.2. Control of Tax Contests.

(a) Tax Contests Relating to Tax Returns.

Except as otherwise provided in this Agreement, the Company responsible for preparing and filing a Tax Return pursuant to Section 4 of this Agreement (the "Controlling Company") shall have the exclusive right, in its sole discretion, to control, contest and represent the interests of each Group in any Tax Contest relating to such Tax Return and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Tax Contest. The Controlling Company's rights shall extend to any matter pertaining to the management and control of the Tax Contest, including execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item.

(b) Additional Taxes, Distribution Taxes and International Restructuring Taxes.

Notwithstanding any other provision of this Agreement to the contrary, Distributing shall have the exclusive right, in its sole discretion, to control, contest and represent the interests of each Group in any Tax Contest relating, in whole or in part, to Additional Taxes, Distribution Taxes and International Restructuring Taxes and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Tax Contest. Distributing's rights shall extend to any matter pertaining to the management and control of the Tax Contest, including execution of waivers, choice of forum, scheduling of conferences and the resolution of any Tax Item.

(c) Other Taxes.

In the case of any Tax Contest with respect to any Other Tax for which Controlled is solely responsible under Section 2.5, Controlled shall have the exclusive right, in its sole discretion, to control, contest and represent the interests of the Controlled Group in such Tax Contest and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Tax Contest. With respect to any Other Tax not described in the preceding sentence, Distributing shall have the exclusive right, in its sole discretion, to control, contest and represent the interests of the Groups in such Tax Contest and to resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Tax Contest.

Section 7.3. Reimbursement of Expenses.

If the Indemnifying Company is not the Controlling Company, the Indemnifying Company shall reimburse the Controlling Company for its costs (including accountant's fees, investigatory fees and fees and disbursements of tax counsel) ("Indemnification Expenses") incurred in any Tax Contest that are reasonably allocable to the portion of the contested Taxes that would be the responsibility of the Indemnifying Company hereunder upon a Final Determination that such contested Taxes are due. The Controlling Company shall provide the Indemnifying Company with a written statement (a "Reimbursement Statement") periodically (but not more often than monthly) that sets forth the amount of the Controlling Company's Indemnification Expenses since the most recent Reimbursement Statement and due hereunder. Within 15 days of the Indemnifying Company's receipt of each Reimbursement Statement, the Indemnifying Company shall pay to the Controlling Company the total amount of the Indemnification Expenses shown on such Reimbursement Statement.

Section 8. Continuing Covenants.

(a) In General.

Except as otherwise provided in this Agreement, each of Distributing (for itself and each other Distributing Group Member), Controlled (for itself and each other Controlled Group Member) and Holdco #2 agrees (i) not to take any action reasonably expected to result in an increased Tax liability to another Company, a reduction in a Tax Asset of another Company or an increased liability to another Company under this Agreement, (ii) not to take any action, fail to take any action or commit any omission that would result in Additional Taxes or Distribution Taxes and (iii) to take any action reasonably requested by a Company that would reasonably be expected to result in a Tax Benefit or avoid a Tax Detriment to such Company; provided, that such action does not result in any additional direct or indirect cost not fully compensated for by the requesting Company.

(b) Consistency.

Each of Distributing (for itself and each other Distributing Group Member) and Controlled (for itself and each other Controlled Group Member) agrees that it will not take or fail to take any action where such action or failure to act would be inconsistent with any material, information, covenant or representation contained in the Officer's Certificate or Ruling Request.

For this purpose, an action is considered inconsistent with a representation if the representation states that there is no plan or intention to take such action. Each of Distributing (for itself and each other Distributing Group Member) and Controlled (for itself and each other Controlled Group Member) agrees that it will not take any position on a Tax Return that is inconsistent with the treatment of (i) the transfer of the Entertainment Assets by members of the Distributing Group to members of the Controlled Group pursuant to the Holdco #2 Contribution or as otherwise contemplated by the Distribution Agreement as a tax-free reorganization under Section 368(a)(1)(D) of the Code, or (ii) the Distribution as tax-free under Sections 355 and 368(a)(1)(D) of the Code.

(c) Certain Distributing Actions following the Distribution.

Distributing agrees that during the 2 year period following the Distribution, without first obtaining a tax opinion from an Independent Firm that the following actions or combination of such actions will not result in Distribution Taxes: (1) Distributing shall not sell or transfer all or substantially all of the assets comprising the AMG Broadcasting Business; (2) Distributing shall not merge with another Entity, without regard to which Entity survives, except in a reorganization within the meaning of Section 368(a)(1)(A), (C) or (D), or an exchange under Section 351, of the Code where the stockholders of Distributing own more than 50 percent of the stock of the surviving Entity (for this purpose any shares of Distributing acquired by any Person after the Distribution shall not be considered to be held by a stockholder of Distributing); and (3) Distributing shall not issue stock of Distributing (or any instrument that is convertible or exchangeable into any such stock) in an acquisition or public or private offering (excluding any issuance pursuant to the exercise of employee stock options or other employment related arrangements having customary terms and conditions and that satisfy the requirements of Treasury Regulations Section 1.355-7(e)(4)(ii)), unless following such issuance of stock, the stockholders of Distributing continue to own more than 50 percent of the stock of Distributing (for this purpose any shares of Distributing acquired by any Person after the Distribution shall not be considered to be held by a stockholder of Distributing).

(d) Certain Controlled Actions Following the Distribution.

During the 2 year period following the Distribution, without first obtaining the prior written consent of Distributing, which may be granted or withheld in its sole discretion: (1) Controlled shall not sell or transfer any material asset of or comprising the Theater Business or any interest in any Entity that conducts the Theater Business; (2) Controlled shall not, and shall not permit any Controlled Group Member which conducts the Theater Business to, merge with another Entity, without regard to which party is the surviving Entity; and (3) Controlled shall not issue or cause to be issued stock of any Controlled Group Member (or any instrument that is convertible or exchangeable into any such stock) in an acquisition or public or private offering, and shall not issue stock of Controlled (or any instrument that is convertible or exchangeable into any such stock) in an acquisition or public or private offering (excluding any issuance pursuant to the exercise of employee stock options or other employment related arrangements having customary terms and conditions and that satisfy the requirements of Treasury Regulations Section 1.355-7(e)(4)(ii)).

(e) Certain Actions of Controlled and Holdco #2 Following the Sale.

During the 6 year period following the Sale, without first obtaining the prior written consent of Distributing, which may be granted or withheld in its sole discretion, neither Controlled nor Holdco #2 shall acquire, however effected, or permit or cause any Controlled Group Member to acquire, however effected, any shares of either the Series A Preferred Stock or the Series B Preferred Stock.

(f) Notice of Specified Transactions.

Not later than 20 days prior to entering into any oral or written contract or agreement, and not later than 5 days after it first becomes aware of any negotiations, plan or intention (regardless of whether it is a party to such negotiations, plan or intention), regarding any of the transactions described in Section 8(c), (d) or (e), each Company shall provide written notice of its intent to consummate such transaction or the negotiations, plan or intention of which it becomes aware, to the other Companies.

Section 9. Dispute Resolution.

In the event that the Companies disagree as to the amount or calculation of any payment to be made under this Agreement, or the interpretation or application of any provision under this Agreement, the Companies shall attempt in good faith to resolve such dispute. If such dispute is not resolved within 60 days following the commencement of the dispute, the Companies shall jointly retain an Independent Firm, reasonably acceptable to the Companies, to resolve the dispute; provided, however, that in order to pursue any such dispute resolution under this Section 9, the Indemnifying Company must first pay to the Indemnified Company, or place in an escrow reasonably satisfactory to the Indemnified Company pending resolution of such dispute, an amount equal to the payment which is the subject of such dispute. The Independent Firm shall act as an arbitrator to resolve all points of disagreement and its decision shall be final and binding upon the Companies. Following the decision of the Independent Firm, the Companies shall take, or cause to be taken, any action necessary to implement the decision of the Independent Firm. The fees and expenses relating to the Independent Firm shall be borne by the Company that does not prevail in the dispute resolution proceeding. Notwithstanding any provision of this Agreement to the contrary, the dispute resolution provisions set forth in this Section 9 shall not be applicable to any disagreement between the Companies relating to Distribution Taxes, the SFXE Loss, International Restructuring Taxes or any matter relating to any Tax Contest.

Section 10. General Provisions.

Section 10.1. Effectiveness; Termination of Prior Tax Allocation Agreements.

This Agreement shall be effective on the date first written above. Immediately prior to the close of business on the date hereof (i) all Prior Tax Allocation Agreements shall be terminated, and (ii) amounts due under such Prior Tax Allocation Agreements as of the date hereof shall be settled. Upon such termination and settlement, no further payments by or to any Distributing Group Member or by or to any Controlled Group Member, with respect to such Prior Tax Allocation Agreements, shall be made, and all other rights and obligations resulting

from such Prior Tax Allocation Agreements between the Companies and their Affiliates shall cease at such time. Any payments pursuant to such Prior Tax Allocation Agreements shall be ignored for purposes of computing amounts due under this Agreement.

Section 10.2. Survival of Obligations.

The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 10.3. Addresses and Notices.

All notices, consents, requests, instructions, approvals, statements, reports and other communications provided for herein shall be validly given, made or served, if in writing and delivered personally or sent by registered mail, postage prepaid, or by facsimile transmission:

If to Distributing:

Clear Channel Communications, Inc.
200 E. Basse Road
San Antonio, Texas 78209
Attn: Chief Executive Officer

If to Controlled:

CCE Spinco, Inc.
9348 Civic Center Drive
Beverly Hills, California 90210
Attn: Chief Executive Officer

If to Holdco #2:

Holdco #2, Inc.
9348 Civic Center Drive
Beverly Hills, California 90210
Attn: Chief Executive Officer

or to such other address that a Company may, from time to time, designate in a written notice to the other Company given in a like manner. Notice delivered personally shall be deemed delivered when received by the recipient. Notice given by mail as set out above shall be deemed delivered five calendar days after the date the same is mailed. Notice given by facsimile transmission shall be deemed delivered on the day of transmission provided telephone confirmation of receipt is obtained promptly after completion of transmission.

Section 10.4. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the Companies and their successors and assigns.

Section 10.5. Waiver.

No failure by any Company to insist upon the strict performance of any obligation under this Agreement or to exercise any right or remedy under this Agreement shall constitute waiver of any such obligation, right or remedy or any other obligation, rights or remedies under this Agreement.

Section 10.6. Invalidity of Provisions.

If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 10.7. Further Action.

Each Company shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement, including the execution and delivery to the other Companies and their Affiliates and representatives of such powers of attorney or other authorizing documentation as is reasonably necessary or appropriate in connection with Tax Contests under the control of any such other Company in accordance with Section 7.

Section 10.8. Integration.

This Agreement constitutes the entire agreement among the Companies pertaining to the subject matter of this Agreement and supersedes all prior agreements and understandings pertaining thereto. In the event of any inconsistency between this Agreement and the Distribution Agreement or any other agreements relating to the transactions contemplated by the Distribution Agreement, the provisions of this Agreement shall control.

Section 10.9. Construction.

The language in all parts of this Agreement shall in all cases be construed according to its fair meaning and shall not be strictly construed for or against any Company.

Section 10.10. No Double Recovery.

No provision of this Agreement shall be construed to provide an indemnity or other recovery for any costs, damages or other amounts for which the damaged Company has been fully compensated under any other provision of this Agreement or under any other agreement or action at law or equity. Unless expressly required in this Agreement, a Company shall not be required to exhaust all remedies available under other agreements or at law or equity before recovering under the remedies provided in this Agreement.

Section 10.11. Setoff.

All payments to be made by any Company under this Agreement may be netted against payments due to such Company under this Agreement, but otherwise shall be made without setoff, counterclaim or withholding, all of which are hereby expressly waived.

Section 10.12. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

Section 10.13. No Third Party Rights.

This Agreement is only intended to allocate the responsibility for certain Taxes between Distributing and Controlled and to address the other Tax matters stated herein. Nothing in this Agreement, express or implied, is intended or shall confer any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement upon any Group Member or Person other than Distributing and Controlled. Distributing and Controlled acknowledge and agree that the respective rights of the Distributing Indemnitees and the Controlled Indemnitees expressly provided under this Agreement may only be enforced by Controlled and Distributing, respectively.

Section 10.14. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts executed in and to be performed in the State of Delaware.

[Signature Page Follows]

In Witness Whereof, the Companies have caused this Agreement to be executed by their respective officers as of the date set forth above.

CLEAR CHANNEL COMMUNICATIONS, INC.

By: /s/ Mark P. Mays
Name: Mark P. Mays
Its: President and Chief Executive Officer

CCE SPINCO, INC.

By: /s/ Michael Rapino
Name: Michael Rapino
Its: Chief Executive Officer

CCE HOLDCO #2, INC.

By: /s/ Michael Rapino
Name: Michael Rapino
Its: Chief Executive Officer

The undersigned subsidiaries of CCE Spinco, Inc. have caused this Tax Matters Agreement to be executed to be effective on the date first written above by their respective duly authorized officers for the purpose of agreeing to be bound to this Tax Matters Agreement and to be liable, jointly and severally, with CCE Spinco, Inc. and CCE Holdco #2, Inc. to Clear Channel Communications, Inc. for all covenants, agreements, liabilities and obligations provided herein or arising hereunder.

CCE HOLDCO #1, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

SFX ENTERTAINMENT, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

Exhibit 10.3

EMPLOYEE MATTERS AGREEMENT

This Employee Matters Agreement, dated as of December 21, 2005, is between Clear Channel Communications, Inc. ("Clear Channel"), a Texas corporation, and CCE Spinco, Inc. ("Entertainment"), a Delaware corporation.

RECITALS

WHEREAS, Clear Channel and Entertainment have entered into a Master Separation and Distribution Agreement dated as of December 20, 2005 (the "Master Agreement") pursuant to which all of the outstanding shares of Entertainment's common stock will be distributed on a pro rata basis to the holders of Clear Channel's common stock (the "Distribution"); and

WHEREAS, in connection with the Distribution and pursuant to the Master Agreement, Clear Channel and Entertainment desire to enter into this Employee Matters Agreement;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and in the Master Agreement, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below.

1.1 "Clear Channel Entity" means Clear Channel and any subsidiary of Clear Channel which, before the Distribution shall include the Entertainment Entities and, from and after the Distribution, will include no Entertainment Entities.

1.2 "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Part 6 of Subtitle B of Title I of ERISA and at section 4980B of the Code.

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

1.4 "Entertainment Employee" means an employee and, as the context requires, former employee of Entertainment or an Entertainment Entity, as determined by Clear Channel based upon applicable payroll records.

1.5 "Entertainment Entity" means Entertainment, any subsidiary of Entertainment, and any predecessor entity of such subsidiary.

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

1.7 "IRS" means the Internal Revenue Service.

1.8 "Plan," when immediately preceded by "Clear Channel," means any "employee benefit plan" within the meaning of Section 3(3) of ERISA and any other plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or

funding vehicle, as amended from time to time, for which the eligible class(es) of participants include employees or former employees of Clear Channel or a Clear Channel Entity, and, when immediately preceded by "Entertainment," means any "employee benefit plan" within the meaning of Section 3(3) of ERISA and any other plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or funding vehicle, to the extent amended from time to time, for which the eligible class(es) of participants are limited to employees or former employees of Entertainment or an Entertainment Entity, but no other Clear Channel Entity.

1.9 "Transferred Employee" means an Entertainment Employee described as such in Section 2.2(a).

1.10 "Welfare Plan" means any "employee welfare benefit plan" as defined in section 3(1) of ERISA, without regard to sections 4(b)(4) or 4(b)(5) of ERISA.

ARTICLE 2
GENERAL

2.1 Assumption/Retention of Liabilities. Except as otherwise explicitly and specifically provided in this Agreement, effective as of the Distribution date, Entertainment shall assume or retain, as the case may be, and pay, perform, fulfill and discharge any and all liabilities or obligations relating to the employment or termination of employment of any current or former Entertainment Employee (including any individual who is or was an independent contractor, temporary employee, temporary service worker, consultant, freelance worker, agency employee, leased employee, on-call worker, or who performs or performed services in any other form of non-employee classification), and their dependents and beneficiaries, regardless of when incurred. No provision in this Agreement relating to Entertainment's responsibility with respect to any specific liabilities or obligations described in the preceding sentence will limit the generality of the preceding sentence with respect to, or otherwise be construed to relieve Entertainment from, the assumption or retention of any other liabilities or obligations described in the preceding sentence.

2.2 Employment Status of Entertainment Employees.

(a) Transferred Employees. Except as otherwise provided in this Agreement, any individual who, immediately prior to the Distribution, is listed on the applicable payroll records of Clear Channel or Entertainment as an employee of an Entertainment Entity, whether such individual is actively at work or absent from work due to vacation, illness, or any other authorized paid or unpaid leave, will continue to be an employee of such Entertainment Entity immediately after the Distribution on the same terms and conditions as in effect immediately before the Distribution, subject in the case of an individual whose employment is covered by a collective bargaining agreement, to the terms and provisions of such agreement. Any individual described in the preceding sentence is considered a "Transferred Employee" for purposes of this Agreement, effective at the time of the Distribution

(b) No Clear Channel Severance Event. No Transferred Employee will be entitled to receive termination or severance payments or benefits from Clear Channel or any

other entity which, immediately following the Distribution, is a Clear Channel Entity as a result of the Distribution or any related circumstance. Entertainment shall be responsible for the satisfaction of any termination or severance obligations owed with respect to Transferred Employees and any other former Entertainment Employees, whether arising before, on or after the Distribution date.

2.3 Termination of Participation in Clear Channel Plans. Except as otherwise specified in this Agreement, each Entertainment Entity which is a participating employer in a Clear Channel Plan shall cease to be a participating employer in such Clear Channel Plan at the time of the Distribution or at such earlier time as Clear Channel, in its discretion, may direct.

2.4 Recognition of Service. Except as otherwise provided in this Agreement, Entertainment will cause each Entertainment Plan to grant full credit to each eligible Transferred Employee for the period of such Transferred Employee's service with the Clear Channel Entities (including, where applicable, service with a predecessor employer credited by a corresponding Clear Channel Plan). Clear Channel service may be disregarded (a) under a new Entertainment Plan adopted after the Distribution date if such Plan is not a successor or replacement plan, and (b) under any Entertainment Plan if and to the extent credit for such service would result in the duplication of benefits.

ARTICLE 3
WELFARE PLANS

3.1 Welfare Plan Participation and Liabilities.

(a) Termination of Group Welfare Plan Participation. Effective at the time of the Distribution, each of the Entertainment Entities shall cease to be a participating employer and all Entertainment Employees will cease to be active participants in any Clear Channel Welfare Plan. Notwithstanding the preceding sentence, Transferred Employees who, immediately before the Distribution, participate in Clear Channel's group medical plan, group dental plan and/or group life insurance plans will be entitled to continue such participation through the last day of the calendar month in which the Distribution occurs. Entertainment will pay Clear Channel the month's FTE or other charges for such participation, and will pay or reimburse Clear Channel for any employee contributions toward that coverage which are due after the Distribution date.

(b) Allocation of Liabilities. Except as otherwise provided in this Agreement, (1) Clear Channel shall be responsible for the payment of benefits with respect to covered liabilities and expenses incurred prior to the Distribution or, if and to the extent applicable under subsection (a) above, prior to the end of the month in which the Distribution occurs; and (2) no Clear Channel Entity shall have any responsibility for the payment of benefits with respect to liabilities and expenses incurred by any such persons after the Distribution or the end of the month in which the Distribution occurs, as the case may be, even though such liabilities or expenses would have been covered by a Clear Channel Welfare Plan if they were incurred before such time. Nothing contained in this subsection is intended to affect the rights of any current or former Entertainment Employee or any of their covered dependents and beneficiaries to receive insurance benefits payable under and in accordance with the provisions of an insurance policy maintained as part of a Clear Channel Welfare Plan.

(c) Entertainment Group Health Plan; COBRA. Prior to the end of the month in which the Distribution occurs and effective as of the first day of the following month, Entertainment will adopt and cause to have in place a group health plan (including medical and dental) for the benefit of Transferred Employees and their eligible dependents. Entertainment shall assume sole responsibility for providing COBRA group health plan continuation coverage to any Entertainment Employees (and their covered dependents) who, at the time of the Distribution, are receiving or entitled to receive COBRA continuation coverage by reason of a qualifying event occurring at or before such time, and to any Transferred Employees (and their covered dependents) who suffer a qualifying event after the Distribution. Clear Channel shall have no responsibility for, and shall be entitled to indemnification by Entertainment with respect to, any COBRA obligations to current or former Entertainment Employees (and their covered dependents) for which Entertainment is responsible, whether by operation of law or in accordance with the terms of this Agreement (including, without limitation, this Section 3.1(c).

3.2 Disability Plans.

(a) Short-Term Disability Benefits. Entertainment shall be responsible for all claims for short-term disability benefits for Entertainment Employees regardless of when made or incurred, except to the extent, if at all, that such claim is covered by insurance under an insured Clear Channel short-term disability plan or arrangement and arises prior to termination of coverage resulting from the Distribution.

(b) Long-Term Disability Benefits. Clear Channel shall continue to be responsible after the Distribution for long-term disability benefits payable with respect to an Entertainment Employee who, at the time of the Distribution, is absent from active employment due to a total disability as defined in the Clear Channel long term disability plan, or who is absent from work due to short term disability which becomes a long term disability, but if (and only if) and to the extent such long-term disability benefits are covered by insurance payable by an insurance company under an insured Clear Channel Welfare Plan.

3.3 Flexible Spending Accounts. Prior to and effective as of the Distribution date, Entertainment shall adopt and have in place a flexible spending account plan in which Transferred Employees shall maintain the account balances and the salary reduction, eligibility, participation and benefit entitlement status they have immediately prior to the Distribution date under Clear Channel's flexible spending account plan. Clear Channel shall pay to Entertainment the net positive balance, if any, of the Transferred Employees' flexible spending accounts at the time of the Distribution, and Entertainment shall pay to Clear Channel the net negative balance, if any, of said accounts. The determination of the net positive or negative balance of the flexible spending accounts will be made and communicated by Clear Channel as soon as practicable after the Distribution date, and payment of the net balance or deficit will be made promptly after the Distribution. Entertainment shall be solely responsible for (a) the payment of all Transferred Employees' claims that are submitted but unpaid under the Clear Channel flexible spending account plan at the time of the Distribution, and (b) the processing and payment of all flexible spending account plan claims submitted by Transferred Employees after the Distribution. Subject to applicable law, Clear Channel shall provide or make available to Entertainment copies of records or statements in support of the claims described in clause (a) of the preceding sentence,

and, if Clear Channel pays any such claims, it shall be entitled to prompt reimbursement of such payment(s) by Entertainment.

3.4 Clear Channel Assets. Except as otherwise provided in the preceding section (relating to the payment of a net positive flexible spending account balance), Clear Channel shall retain all claim reserves, bank accounts, trust funds or other balances maintained as part of or in connection with Clear Channel's Welfare Plans.

3.5 Credit for Amounts Paid. In administering its Welfare Plans for the calendar year in which the Distribution date occurs, Entertainment shall credit participating Transferred Employees with any amounts paid by them under the corresponding Clear Channel Welfare Plans toward satisfaction of applicable deductibles, co-payments, coinsurance and out-of-pocket maximums.

ARTICLE 4
COMPENSATION MATTERS
AND NON-ERISA BENEFIT ARRANGEMENTS

4.1 Assumption of Individual Agreements. Effective on the Distribution date, Entertainment will assume and/or be responsible for satisfying any and all obligations and liabilities (fixed or contingent) of Clear Channel or any Clear Channel Entity incurred or arising under or in connection with any individual employment, retention, separation, consulting, representation or other personal services-related agreements (together with any ancillary trust or other agreements) made directly or indirectly with or for the benefit of (a) any Transferred Employees, or (b) other individuals or personal service entities in connection with the business of any Entertainment Entity; provided, however, that, following the Distribution date, Clear Channel and the other Clear Channel Entities shall retain any rights which it or any of them would have had following the termination of any such agreement, determined as if the agreement terminated immediately prior to the Distribution, except to the extent that the exercise of such rights by Clear Channel and the other Clear Channel Entities following the Distribution date would adversely affect the rights of any Entertainment Entity under such agreement. Entertainment shall indemnify Clear Channel and its subsidiaries and affiliates and hold them and each of them harmless from, against and with respect to any claim, liability or expense asserted or imposed by it or any of them under or in connection with any of the agreements described in the first sentence of this Section 4.1.

4.2 Stock Incentive Plans.

(a) Stockholder Approval of Incentive Plan. Prior to the Distribution date, Clear Channel shall cause Entertainment to adopt and, as Entertainment's sole stockholder, to approve the adoption of a 2005 Stock Incentive Plan for eligible Entertainment employees, directors and other personnel, with terms and conditions substantially similar to the terms and conditions of the Clear Channel Communications, Inc. 2001 Stock Incentive Plan.

(b) Outstanding Clear Channel Stock Options. As authorized by the Compensation Committee of the Board of Directors of Clear Channel pursuant to its authority under the Clear Channel stock incentive plans, the number of Clear Channel shares and the

exercise price per share covered by outstanding *vested* Clear Channel stock options held by Entertainment Employees (or their beneficiaries) at the time of the Distribution will be adjusted after the Distribution such that the ratio of the exercise price per share to the per share value of the stock covered by the option and the aggregate intrinsic value of the option are the same after the adjustment as before the adjustment. The terms and conditions of the vested Clear Channel stock options, as adjusted, will otherwise remain the same. Unless sooner terminated in accordance with their terms, the vested Clear Channel stock options, as adjusted, held by a Transferred Employee will expire if and to the extent they are not exercised within the applicable post-employment exercise period following the Distribution. Non-vested Clear Channel stock options held by Entertainment Employees will terminate in accordance with their terms at the time of the Distribution by reason of the cessation of their employment with a Clear Channel Entity.

(c) Restricted Stock.

(i) Distribution of Entertainment Shares. As authorized by the Compensation Committee of the Board of Directors of Clear Channel pursuant to its authority under the Clear Channel Communications 2001 Stock Incentive Plan, Transferred Employees who, immediately before the Distribution, hold restricted shares of Clear Channel stock, will be entitled to receive a number of fully vested shares of Entertainment stock equal to the number of shares that would be distributable with respect to the same number of outstanding non-restricted shares of Clear Channel stock, subject to such rounding convention as said Compensation Committee may establish.

(ii) Clear Channel Restricted Shares. Restricted Clear Channel shares held by Transferred Employees will be forfeited immediately following the Distribution.

4.3 Clear Channel Employee Stock Purchase Plan. Transferred Employees' payroll deduction contributions under the Clear Channel Communications, Inc. 2000 Employee Stock Purchase Plan ("ESPP") will terminate on the last pay date preceding the Distribution date. On the stock purchase date next following the Distribution date, the amount then credited to each Transferred Employee's ESPP payroll deduction account will be applied toward the purchase of Clear Channel stock. During the 90-day period following the Distribution date, Transferred Employees will be permitted to direct the sale of the shares of Clear Channel and Entertainment stock credited to their accounts and the distribution of the proceeds from such sales. At the end of such 90-day period, each Transferred Employee will be entitled to receive stock certificates for the number of whole shares of Clear Channel and Entertainment stock (if any) that remain credited to such Transferred Employee's ESPP account, together with cash in lieu of any fractional shares, all in full and final satisfaction of the Transferred Employee's interest in the ESPP. Clear Channel will provide or cause to be provided to affected Transferred Employees reasonable notice of the effect of the Distribution on their rights and entitlements under the ESPP.

4.4 Clear Channel Nonqualified Deferred Compensation Plan. In connection with the Distribution, Entertainment shall assume the obligations of Clear Channel and protect and satisfy the rights and entitlements of participating Entertainment Employees under the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan. Toward that end, effective as

of the Distribution date, or such earlier or later date as may be determined by Clear Channel and Entertainment, Clear Channel will cause the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan and the related trust arrangement, but only as and to the extent they pertain to participating Entertainment Employees, to become a separate plan and trust arrangement maintained for the exclusive benefit of Entertainment Employees, which separate plan will be retained by Entertainment immediately following the Distribution. The account balances and related elections and entitlements of Entertainment Employees under the Entertainment plan immediately after the plan spin-off will be the same as and subject to the same terms and conditions as the corresponding account balances and related elections and entitlements of the Entertainment Employees under the Clear Channel plan immediately prior to the plan spin-off. Clear Channel will cause any assets held in the trust maintained under the Clear Channel plan to be transferred to the trustee of the trust under the Entertainment plan. Following the Distribution, neither Clear Channel nor any Clear Channel Entity nor any of their affiliates will have any liability or obligation in connection with the prior participation of any Transferred Employees and other Entertainment Employees in the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan, and Entertainment and its subsidiaries will be solely responsible for all such liabilities and obligations.

4.5 Annual Incentive Compensation.

(a) Clear Channel Plan for 2005. The Compensation Committee of the Board of Directors of Entertainment shall be responsible for making any determinations otherwise required to be made by the committee under the Clear Channel Communications Annual Incentive Plan for the calendar year in which the Distribution date occurs with respect to Transferred Employees, if any, who are "covered employees" within the meaning of Section 162(m) of the Code, including a determination of (a) the extent to which established performance criteria (after taking into account the effects of the Distribution and related capital transactions) have been met, and (b) the payment level for each such Transferred Employee. Entertainment shall assume all liabilities with respect to the payment of annual incentive awards to Entertainment Employees for the calendar year of the Distribution, subject to any deferral elections as are in effect and to the terms and provisions of the applicable incentive plan.

4.6 New Entertainment Plan. Prior to the Distribution date, Clear Channel shall cause Entertainment to adopt and, as Entertainment's sole stockholder, to approve the adoption of, and to have in place an annual performance-based incentive plan for the benefit of designated executive officers and other key employees, on terms and conditions substantially similar to the terms and conditions of the Clear Channel Communications, Inc. 2005 Annual Incentive Plan.

4.7 Workers' Compensation. Except as otherwise specifically provided herein, Entertainment shall be solely responsible for all claims for workers' compensation reported by a Transferred Employee on or after the policy renewal date of November 1, 2005. Unless Clear Channel determines otherwise, Clear Channel shall continue to be responsible after the Distribution date for administering all claims for workers' compensation for injuries to any Entertainment Employee occurring prior to November 1, 2005 and reported timely under the terms of any Clear Channel workers' compensation policy or plan; provided, however, that Entertainment shall reimburse, and shall indemnify Clear Channel for any amounts payable

under such prior programs or for any claims not reported timely and where Clear Channel has been prejudiced by such late reporting.

4.8 Accrued Vacation and other Paid Time Off. Entertainment shall recognize and assume or retain, as the case may be, all liability for all vacation, holiday, flex days and sick days, including banked sick days accrued by Transferred Employees as of the date of the Distribution, on terms and conditions similar to those in effect immediately before such time.

4.9 Leaves of Absence. Entertainment shall honor the terms and conditions of any approved leave of absence of an Entertainment Employee that begins before and continues immediately after the Distribution.

ARTICLE 5
PENSION PLANS

5.1 Entertainment 401(k) Plan.

(a) Continuation of Entertainment 401(k) Plan. Effective as of the Distribution date, Entertainment or another Entertainment Entity designated by Entertainment shall continue sponsorship of the Clear Channel Entertainment, Inc. 401(k) Savings Plan, its stand-alone profit sharing/401(k) plan qualified under Section 401(a) of the Code (the "Entertainment 401(k) Plan"). In addition, Entertainment or another Entertainment Entity designated by Entertainment shall establish its own trust intended to be exempt from tax under section 501(a) of the Code (the "Entertainment 401(k) Trust") effective as of the Distribution date, or such earlier or later date as may be determined by Clear Channel and Entertainment. Effective as of the establishment of the Entertainment 401(k) Trust, Clear Channel and Entertainment shall take such actions as may be necessary to accommodate the transfer of assets relating to the Entertainment 401(k) Plan from the existing Clear Channel Master 401(k) Trust to the Entertainment 401(k) Trust. Entertainment shall assume and thereafter be solely responsible for all then existing or future employer liabilities related to Transferred Employees and other Entertainment Employees under the Entertainment 401(k) Plan and the administration thereof. In addition, Entertainment shall assume and thereafter be solely responsible for all then existing or future employer liabilities related to Transferred Employees and other Entertainment Employees under all other existing or previously sponsored plans of Entertainment as listed on Schedule 5.1(a), Historical Plans Checklist. Included within these assumed Employer liabilities retained by Entertainment shall include all Form 5500 reporting, distributions of summary annual reports, required disclosures to affected employees, participants and beneficiaries, nondiscrimination and coverage testing, annual audit requirements, IRS/DOL audits, 11k filing with the SEC and legislative compliance for Plan years ending on or after the Distribution date.

(b) Employer Stock Funds. A Clear Channel stock fund will be established under the Entertainment 401(k) Plan with respect to the shares of Clear Channel stock held under the Entertainment 401(k) Plan subject to the following conditions: (1) participants may direct the sale of Clear Channel stock credited to their accounts but not the purchase of such stock; and (2) after such time as may be determined by a named fiduciary of the Entertainment 401(k) Plan, any remaining shares of Clear Channel stock shall be sold and the cash proceeds re-invested in accordance with procedures established under the plan. Effective as of the Distribution date, the

Clear Channel Communications, Inc. 401(k) Savings Plan will be amended to include a similar wasting investment fund for shares of Entertainment stock acquired in connection with the Distribution.

ARTICLE 6
GENERAL PROVISIONS

6.1 No Third Party Beneficiaries; Preservation of Rights to Amend. This Agreement shall be binding upon and inure to the benefit only of the parties hereto and their respective successors. Notwithstanding any other provisions to the contrary, except with respect to such successors, this Agreement is not intended and shall not be construed for the benefit of any third party or any person not a signatory hereto. Without limiting the generality of the foregoing: (a) no Transferred Employee or other current or former employee of Clear Channel or Entertainment or any subsidiary or affiliate of either (or his/her spouse, dependent or beneficiary), or any other person not a party to this Agreement, shall be entitled to assert any claim hereunder; (b) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Entertainment or any Entertainment Entity, at any time after the Distribution date, from amending or terminating any Entertainment Plan; and (c) except as expressly provided in this Agreement, nothing in this Agreement shall preclude Clear Channel or any Clear Channel Entity, at any time after the Distribution date, from amending or terminating any Clear Channel Plan.

6.2 Employment Solicitation. For a period of one year following the Distribution date, neither Clear Channel nor Entertainment may, nor will they permit any of their respective subsidiaries, affiliates or agents to, solicit or recruit for employment any employees with a position of vice president or higher currently and then in the employ of the other company or its subsidiaries or affiliates, without the prior written consent of the other company.

6.3 Personnel Records. Subject to applicable law, each party shall furnish or make available to the other copies of such personnel and other documents and records relating to Entertainment Employees as may be reasonably requested by the other in connection with the proper administration of its payroll and Employee Plans or the proper operation of its business or the execution of its rights and obligations under this Agreement.

6.4 Applicability to Subsidiaries. Each of Clear Channel and Entertainment shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by a Clear Channel Entity or an Entertainment Entity, respectively.

6.5 Collective Bargaining Agreements. To the extent any provision of this Agreement is contrary to the provisions of any collective bargaining agreement to which Clear Channel or any Clear Channel Entity is a party, the terms of such collective bargaining agreement shall prevail. Entertainment will indemnify Clear Channel from and against any expenses or claims incurred after the Distribution in connection with any such collective bargaining agreement insofar as it relates to Entertainment Employees.

6.6 Fiduciary Matters. The parties acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under

ERISA or other applicable law. Neither party shall be deemed to be in violation of this Agreement if it fails to comply with any provision of this Agreement based upon its good faith determination that to do so would violate such a fiduciary duty or standard. Each party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other party for any liabilities caused by the failure to satisfy any such responsibility.

6.7 Administrative Complaints/Litigation. As of and after the Distribution date, Entertainment shall assume, and be solely liable for, the handling, administration, investigation, and defense of actions, including, without limitation, ERISA, and any regulations or guidance issued thereunder, the Code and any regulations or guidance issued thereunder to the extent such Code provisions relate to or affect employee benefit matters, occupational safety and health, employment standards, union grievances, wrongful dismissal, discrimination or human rights and unemployment compensation claims, asserted at any time against Clear Channel or Entertainment by any Entertainment Employee or any other person arising out of or relating to employment with Entertainment. Any obligations, losses, expenses and claims arising from such actions shall be deemed to be Entertainment Liabilities and shall be retained or assumed, as the case may be, by Entertainment under and in accordance with the Master Agreement. Clear Channel reserves the right to participate in the investigation, defense or settlement of any matter to the extent it deems reasonably necessary.

6.8 Reimbursement and Indemnification. Each of the parties shall reimburse the other, within 30 days of receipt from the other party of appropriate verification, for all costs and expenses which the other may incur in satisfaction of a liability or obligation which, under this Agreement, is the liability or obligation of such party. All liabilities retained, assumed or indemnified against by Entertainment pursuant to this Agreement shall be deemed Entertainment Liabilities, and all liabilities specifically retained, assumed or indemnified against by Clear Channel pursuant to this Agreement shall be deemed Excluded Liabilities for purposes of the Master Agreement.

6.9 Master Agreement Provisions. The following provisions of the Master Agreement are hereby incorporated herein by reference and, unless otherwise expressly specified herein, shall apply as if fully set forth herein: Article VI (relating to releases and indemnification); the provisions of Articles V and VII relating to exchange of information and confidentiality; Article VIII (relating to resolution of disputes); and Article IX (relating to Miscellaneous).

6.10 Applicable Law. To the extent not preempted by applicable federal law, this Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of Texas, without regard to its choice of laws principles, as to all matters, including matters of validity, construction, effect, performance and remedies.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Employee Matters Agreement to be executed to be effective on the date first written above by their respective duly authorized officers.

CLEAR CHANNEL COMMUNICATIONS, INC.

By: /s/ Randall T. Mays
Randall T. Mays
Executive Vice President &
Chief Financial Officer

CCE SPINCO, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

The undersigned subsidiaries of CCE Spinco, Inc. have caused this Employee Matters Agreement to be executed to be effective on the date first written above by their respective duly authorized officers for the purpose of agreeing to be bound to this Employee Matters Agreement and to be liable, jointly and severally, with CCE Spinco, Inc. to Clear Channel Communications, Inc. for all covenants, agreements, liabilities and obligations provided herein or arising hereunder.

CCE HOLDCO #1, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

CCE HOLDCO #2, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

SFX ENTERTAINMENT, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

Exhibit 10.4

TRADEMARK AND COPYRIGHT LICENSE AGREEMENT

THIS TRADEMARK AND COPYRIGHT LICENSE AGREEMENT (this "Agreement") is made effective as of December 21, 2005 (the "Effective Date") by and between Clear Channel Identity, L.P., a Delaware limited partnership ("Licensor"), and CCE Spinco, Inc., a Delaware corporation ("Licensee").

RECITALS:

WHEREAS, Licensee is a wholly owned subsidiary of Licensor and, as such, has been using certain of Licensor's intellectually property pursuant to a license in connection with the production and promotion of live entertainment (the "Business");

WHEREAS, Licensee will cease to be a wholly owned subsidiary of Licensor pursuant to a separate agreement between the parties entitled Master Separation and Distribution Agreement;

WHEREAS, Licensor is the owner of the trademark CLEAR CHANNEL and variations thereof, other marks incorporating the term CLEAR CHANNEL and variations thereof, the mark CC and variations thereof, and the C Logo shown on Exhibit A and variations thereof, and other marks used in connection with the Business that would indicate an affiliation with Licensor when used, and trade dress and other indicia of origin associated with such trademarks (collectively, the "Marks") and is the owner of trademark registrations and applications for the Marks;

WHEREAS, Licensor is the owner of the copyrights in packaging, labels, signage, marketing, advertising and promotional materials that bear or display the Marks (collectively, the "Copyrights");

WHEREAS, Licensor owns certain Internet domain name registrations that incorporate the Marks, including, without limitation, those set forth on Exhibit B (collectively, the "Domains");

WHEREAS, although certain of the Marks, certain of the Domains and certain of the Copyrights are assets currently used in the Business, Licensee does not own and is not acquiring from Licensor any rights in the Marks, the Domains or the Copyrights;

WHEREAS, the parties, by this Agreement, desire to establish Licensee's right to continue to use certain of the Marks and certain of the Copyrights in the Licensed Territory (as defined below) for the Business, during a transitional period, under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, the parties hereto agree as follows:

AGREEMENT:

1. CERTAIN DEFINITIONS.

The following terms shall have the following meanings as used herein:

(a) "Affiliate" means, with respect to a specified person or entity, any other person or entity or member of a group of persons or entities acting together that, directly or indirectly, through one or more intermediaries, controls, or is controlled by or is under common control with, the specified person or entity.

(b) "Distribution Date" shall mean that certain day defined as such under the Master Separation and Distribution Agreement between the parties, dated December 20, 2005.

(c) "Domain Names" shall mean the domain name registrations that incorporate the Marks, including, but not limited to, those set forth in Exhibit B, as may be amended from time to time, used in connection with the Business.

(d) "Licensed Copyrighted Works" shall mean all packaging, labels, signage, marketing, advertising and promotional materials bearing or displaying the Licensed Marks including website materials that are used by Licensee for the Business in the Licensed Territory as of the Effective Date, in only the specific form or medium in which they are embodied as of the Effective Date, or in such other form as may be approved by Licensor as provided in Section 2, to the extent that Licensor or one of its Affiliates owns each such work.

(e) "Licensed Marks" shall mean the Marks as and in the form in which they are used by Licensee on or in connection with the Business in the Licensed Territory as of the Effective Date.

(f) "Licensed Territory" shall mean the world.

(g) "Term" shall mean the period beginning on the Effective Date and ending on the first to occur of (i) the one year anniversary of the Distribution Date and (ii) the termination of this Agreement pursuant to Section 11.2.

(h) "Trademark Rights" shall mean, collectively, all foreign, federal, state, and common law rights in and to the Licensed Marks.

2. GRANT OF LICENSES; RESERVATION OF RIGHTS.

2.1 Trademark License. Upon the terms and conditions set forth in this Agreement, Licensor grants to Licensee a revocable, non-exclusive, non-transferable license to utilize the Licensed Marks solely upon and in connection with the Business in the Licensed Territory during the Term (the "Trademark License").

2.2 Royalty Fee. Licensee shall pay Licensor for the use of the Licensed Marks pursuant to the amount set forth on Exhibit C, attached hereto. The amount owed by Licensee shall accrue throughout the Term and shall be paid quarterly as follows: Within thirty (30) days

after the end of each of the Licensor's and Licensee's fiscal quarters, Licensee shall pay to Licensor the total amount owed by Licensee to Licensor for the use of the Licensed Marks under this Agreement during such fiscal quarter.

2.3 Limitations on Trademark License. The Trademark License is limited to the Business, provided that the products and services provided in connection with the Business are at least of a quality that is substantially the same as or is higher than the quality of those currently provided or sold by Licensee as of the Effective Date. NO LICENSE IS GRANTED HEREUNDER FOR ANY USE OTHER THAN THAT SPECIFIED, AND NO LICENSE IS GRANTED HEREUNDER FOR ANY COMBINATION OF THE LICENSED MARKS WITH OTHER PRODUCTS, SERVICES OR MARKS WITHOUT PRIOR WRITTEN CONSENT OF LICENSOR WHICH SHALL NOT BE UNREASONABLY WITHHELD OR DELAYED.

(a) Licensee may use other marks, including marks owned by third parties, for the Business, in addition to the Licensed Marks, provided Licensee has obtained the necessary rights from the third party, if any. In no event shall the other mark be used in such a manner that, in Licensor's reasonable business judgment, a composite mark is created that includes any of the Licensed Marks and, notwithstanding anything to the contrary in this Agreement, Licensor may reject any proposed use that bears such a composite mark.

(b) It is hereby recognized that Licensee may wish to transition to a new mark or an existing mark owned by Licensee during the course of this Agreement and phase out the use of the Licensed Marks gradually during the Term. In connection with such transition, Licensee may wish to utilize such new or existing mark in connection with the Business in addition to the Licensed Marks. In the event Licensee desires to utilize both the Licensed Marks and a new mark simultaneously during the transition, Licensee shall provide at least thirty (30) calendar days prior written notice to Licensor of such proposed transition, along with a rendering of the proposed transitional usage. Licensor shall have a period of thirty (30) calendar days following receipt of such notice and rendition in which to give or withhold its approval of such transitional usage and Licensor shall be deemed to not have approved such transitional usage if Licensor does not deliver to Licensee its written approval thereof within such thirty (30) calendar day period. Licensor shall not unreasonably withhold or delay its approval, but such approval shall not be deemed to be unreasonable if (i) the proposed usage of the Licensed Marks with such transitional mark creates, in Licensor's reasonable business judgment, a composite mark that includes any of the Licensed Marks, (ii) if the new mark proposed to be used by Licensee in addition to the Licensed Marks is confusingly similar to the Licensed Marks, or (iii) if the proposed usage is derogatory or coveys a negative connotation with respect to Licensor or the Licensed Marks.

2.4 Copyright License. Upon the terms and conditions set forth in this Agreement, including, without limitation, those set forth in this Section 2.4, Licensor, on behalf of itself and its Affiliates, grants to Licensee a revocable, nonexclusive, royalty-free, transferable to the extent provided in Section 9.1, license to use, reproduce, distribute copies of, make derivative works of, publish, distribute, display, broadcast and/or transmit the Licensed Copyrighted Works in the Licensed Territory, through only the media utilized by Licensor as of the Effective Date,

for the limited purpose of enabling Licensee to exercise its rights under the Trademark License (the "Copyright License"). By way of example, without limitation, in the case of a print advertisement appearing in a particular magazine as of the Effective Date, the Copyright License shall permit Licensee to utilize the advertisement in the same magazine. Notwithstanding the foregoing, Licensee shall have the right during the Term to modify or create derivative works of the Licensed Copyright Works and to use new media for the publication, distribution, display, broadcast and/or transmission of same, subject to the prior written approval of Licensor, which approval shall not be unreasonably withheld or delayed. In the event Licensee desires to modify, create derivative works of or utilize new media for the publication, distribution, display, broadcast and/or transmission of the Licensed Copyrighted Works in connection with the exercise of its rights under the Trademark License, Licensee shall provide Licensor at least sixty (60) calendar days prior written notice, which notice shall include reasonably sufficient details concerning Licensee's plans, including copies or drafts of the modified or derivative works, and a list and description of the use thereof, including the media through which such works will be published, distributed, displayed, broadcast and/or transmitted. Licensor shall have until the end of such sixty (60) calendar day period in which to give or withhold its written approval for all or a portion of the matters contained in Licensee's notice; provided, that Licensor shall be deemed not to have approved any matter contained in Licensee's notice if Licensor does not deliver to Licensee its written approval thereof within such sixty (60) calendar day period.

(a) Licensee shall cooperate with Licensor in connection with Licensor's review of the matters contained in Licensee's notice, including by providing any additional information or materials that may be requested by Licensor.

(b) Upon Licensor's written approval of any modified or derivative works for use for the Licensed Products such modified or derivative works shall be deemed to be "Licensed Copyrighted Works." In addition, upon approval (or deemed approval) by Licensor any resulting trade dress or trademarks shall be deemed to be "Licensed Marks." If Licensor does not approve in writing any modified or derivative works, or the media through which such works or any other Licensed Copyrighted Works are to be disseminated, then Licensee shall be prohibited from employing same under the terms of this Agreement, including under the Trademark License or the Copyright License. It is hereby expressly understood, however, that the primary purpose of this Agreement is to enable Licensee to transition to a new mark and trade dress for use in the Business. Accordingly, the failure of Licensor to approve modified or derivative works shall not be deemed unreasonable if Licensor, in its sole discretion, considers the proposed works to be a material alteration of the Licensed Marks or Licensed Copyrighted Works as of the Effective Date.

(c) Any modified or derivative works not approved by Licensor hereunder and from which the Licensed Marks are not removed or obliterated shall be promptly destroyed by Licensor, Licensee and, if applicable, by any Permitted Third Party Provider (as defined in Section 2.10).

2.5 Rights of and Obligations to Third Parties. Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement shall be deemed to be a grant by Licensor of a license, sublicense, or other grant of a right to Licensee to use any copyrights of a third party or any rights under any third-party license that cannot be licensed, sublicensed or granted without the consent, approval or agreement of another party, unless such consent, approval or agreement is first obtained.

2.6 Reservation of Rights. Notwithstanding anything herein to the contrary, Licensor may utilize (and may license another party to utilize) the Licensed Marks in connection with any business in the Licensed Territory. Further, this Agreement does not restrict or limit Licensor's rights to utilize or license the Licensed Marks in any manner. Notwithstanding anything contained herein to the contrary, Licensor shall have the unrestricted right to utilize (and to license another party to utilize) its copyrights in the Licensed Copyrighted Works.

2.7 Term. Subject to the survival provisions of Section 11.4, the term of this Agreement and the Trademark License and Copyright License granted hereunder shall begin on the Effective Date and shall expire at the end of the Term. This Agreement will not be renewed or extended, absent the execution of a separate document explicitly expressing such, executed by both Licensor and Licensee.

2.8 Domain Names. Licensee acknowledges that Licensor owns the Domain Names. For the Term, Licensor agrees to maintain the Domain Names and redirect the certain domain names listed in Exhibit B, as may be amended from time to time by mutual agreement of the Parties, to a new website included in the New Works (as defined in Section 3.5) that Licensee may create pursuant to this Agreement at a url that Licensee will register and maintain. Licensee shall be responsible for hosting and maintaining the website, whether the website is part of the Licensed Copyrighted Works or New Works. Licensor shall not be required to maintain registrations of the Domain Names after expiration or termination of this Agreement, though it may, at its own discretion, do so.

2.9 Corporate Name. Notwithstanding the foregoing license grants, within ninety (90) days of the Distribution Date, Licensee shall and shall cause any of its subsidiaries or Affiliates, if necessary, to change, at its own expense, its corporate name to delete therefrom any Licensed Marks or any words or phrases confusingly similar to the Licensed Marks that may be incorporated therein.

2.10 Permitted Third Party Providers. The parties acknowledge that Licensee may wish to engage a third party manufacturer/service provider in connection with Licensee's exercise of its rights under the Trademark License and the Copyright License. Licensee shall give written notice to Licensor of any proposed third party manufacturer/provider arrangement not less than ninety (90) calendar days prior to Licensee's engaging any third party manufacturer/provider (the "Notice Period"), which notice shall contain the name of any proposed third party provider and a summary of the terms of Licensee's proposed arrangement with same. During the Notice Period, Licensor shall have sole discretion as to whether to initially approve any proposed third party manufacturer/provider; provided, that such approval shall not be unreasonably withheld or delayed. Licensor shall advise Licensee whether it initially approves the proposed third party manufacturer/provider as soon as practicable during the Notice

Period. For purposes of this Agreement, any third party manufacturer/provider that is approved by Licensor shall be a "Permitted Third Party Provider."

3. DEVELOPMENT OF NEW TRADEMARK RIGHTS AND NEW COPYRIGHTS.

3.1 Development of New Trademark Rights. Except as expressly provided in this Agreement, Licensee shall not develop or acquire new Trademark Rights associated with the Business or otherwise. Except as expressly permitted under Section 2 or as may be in use as of the Effective Date, Licensee is not itself permitted to develop or use any derivative variations of any of the Licensed Marks or to develop or use any variations, forms or stylizations of the Licensed Marks. Trademark Rights that Licensee shall not develop or acquire include, but are not be limited to, any federal, state, or foreign trademark registrations or applications, trademarks, trade dress, trade names, service marks, symbols, slogans, emblems, logos, designs and other indicia of origin or domain names incorporating the Licensed Marks. The parties acknowledge and agree that any and all new Trademark Rights shall be considered included within the definition of "Trademark Rights" for purposes of this entire Agreement. Notwithstanding the foregoing, any new trademarks that are not derivations of, variations upon, or confusingly similar to, the Licensed Marks that are developed by Licensee shall be the sole property of Licensee.

3.2 Objection to New Trademark Rights. In the event that Licensee inadvertently or intentionally develops or acquires new Trademark Rights, Licensee shall give prompt written notice to Licensor of same. As soon as practicable after Licensor becomes aware of any new Trademark Right inadvertently or intentionally developed or acquired by Licensee, Licensor shall have the right to object to the new Trademark Right which it deems, in its sole discretion: (a) to be incompatible or inconsistent with any other Trademark Rights, or with the image of the Licensed Marks; (b) to be in violation of any law; or (c) to be otherwise inappropriate or offensive. Upon Licensor's objection to a new Trademark Right, Licensee shall: (a) promptly modify the new Trademark Right to obviate Licensor's objections, (b) promptly cease usage of the new Trademark Right, and/or (c) withdraw or cancel (as appropriate) any pending trademark application or issued trademark registration pertaining to the new Trademark Right.

3.3 Requirement for Assignment of New Trademark Rights. The parties agree that Licensor shall be deemed the owner of any rights Licensee may have in a new Trademark Right (excluding any new trademarks that are not derivations of, variations on, or confusingly similar to, the Licensed Marks. Upon request, Licensee shall promptly provide a confirmatory assignment of any new Trademark Right to Licensor. Licensor has the right to refuse to license the new Trademark Right to the Licensee for the remainder of the Term. Licensor shall have the right to use, and to license others to use, any new Trademark Right after the termination of this Agreement. The decision whether to seek or maintain any federal, foreign, or state registration for any new Trademark Right or any of the Licensed Marks shall be made in the sole discretion of Licensor. Licensee shall fully cooperate with Licensor, including executing any documents and providing any materials that Licensor shall request, to obtain or maintain any such registration. To the extent the Licensed Marks or new Trademark Rights are not the subject of federal or foreign registrations as of the Effective Date, Licensee shall bear the cost of obtaining or maintaining same if Licensor decides to seek registration.

3.4 Modifications to or Derivative Works of the Licensed Copyrighted Works. Except as expressly permitted under this Agreement, Licensee shall not itself develop or use any modified or derivative works of the Licensed Copyrighted Works. Notwithstanding any provision of law that may initially vest ownership of copyrights in modifications or derivative works of the Licensed Copyrighted Works in Licensee or a third party that Licensee may engage in connection therewith, Licensor and Licensee hereby expressly agree that Licensor shall be considered the author and owner of the copyrights in the Licensed Copyrighted Works, including any derivative works or modifications of the original Licensed Copyrighted Works, whether or not any such modified or derivative works are approved by Licensor for use in connection with the Licensed Marks and the Business. To the extent permitted by law, the creation of any modifications or derivative works of the Licensed Copyrighted Works shall be deemed "works made for hire" for Licensor. Licensee shall execute any documents, including assignments, Licensor may determine it requires to vest ownership of the Licensed Copyrighted Works, including any modifications or derivative works of the original Licensed Copyrighted Works, in Licensee. Licensee shall have sole discretion as to whether to seek registration of the Licensed Copyrighted Works, but in no event shall Licensee apply for copyright registration of any of such works in its own name. Licensee shall execute written agreements, in a form acceptable to Licensor, with any independent contractor Licensee engages in connection with the creation of modifications or derivative works of the Licensed Copyrighted Works to ensure that such independent contractor is bound by this Section 3.4 and Section 3.7 to the same extent as Licensor. Notwithstanding the foregoing, Licensee does not assign to Licensor, and Licensee expressly retains the copyrights in all original content added by Licensee (including any new trademarks of Licensee that are not derivations of, variations upon, or confusingly similar to, the Licensed Marks) that is incorporated in such modifications or derivative works of the Licensed Copyrighted Works, to the extent such content does not bear or display any Licensed Marks.

3.5 Creation of New Works. Subject to the terms and conditions of this Agreement, including those set forth in this Section 3.5, Licensee may create new works in the nature of signage, marketing, advertising or promotional materials, including websites that display the Licensed Marks (the "New Works"). At least sixty (60) calendar days prior to the utilization of any of the New Works in connection with Licensee's exercise of its rights under the Trademark License, Licensee shall provide a specimen of the New Work to Licensor and specifics as to the proposed medium or media for the publication, distribution, display, broadcast and/or transmission of same. Upon Licensor's written approval, which shall not be unreasonably withheld or delayed, Licensee may utilize the approved New Work in the approved media to the extent permitted under the Trademark License. Should Licensee desire to utilize a new medium for the publication, distribution, display, broadcast or transmission of a New Work previously approved, Licensee shall give Licensor at least thirty (30) calendar days prior written notice as to the specifics of the proposed new media. Upon Licensor's written approval, which shall not be unreasonably withheld or delayed, Licensee shall be permitted to use the new medium for the New Work to the extent permitted by the Trademark License.

3.6 Ownership of New Works. As between Licensor and Licensee, Licensee shall be deemed the owner of the copyrights in the New Works and shall be permitted to apply for copyright registration of the New Works. Under no circumstances shall ownership rights extend to the Licensed Marks and upon termination of Licensee's rights under the Trademark License,

Licensee shall cease all use of the New Works; provided, however, to the extent that the Licensed Marks can be removed from the New Works, Licensee may continue to use the New Works with the new mark that it will use for the Business.

3.7 Appointment as Attorneys-In-Fact. IN THE EVENT THAT LICENSOR IS UNABLE FOR ANY REASON WHATSOEVER TO SECURE LICENSEE'S SIGNATURE TO ANY ASSIGNMENT DOCUMENT CONTEMPLATED UNDER THIS SECTION 3 OR TO ANY LAWFUL AND NECESSARY DOCUMENT REQUIRED TO APPLY FOR OR EXECUTE ANY TRADEMARK OR COPYRIGHT APPLICATIONS WITH RESPECT TO THE LICENSED MARKS OR THE LICENSED COPYRIGHTED WORKS, LICENSEE HEREBY IRREVOCABLY DESIGNATES AND APPOINTS LICENSOR AND ITS DULY AUTHORIZED OFFICERS AND AGENTS AS LICENSEE'S AGENTS AND ATTORNEYS-IN-FACT TO ACT FOR AND ON LICENSEE'S BEHALF AND INSTEAD OF LICENSEE, TO EXECUTE ANY SUCH ASSIGNMENT AND EXECUTE AND FILE ANY SUCH APPLICATION AND TO DO ALL OTHER LAWFULLY PERMITTED ACTS TO FURTHER THE PROSECUTION AND ISSUANCE OF TRADEMARK OR COPYRIGHT REGISTRATIONS PERTAINING TO THE LICENSED MARKS OR THE LICENSED COPYRIGHTED WORKS WITH THE SAME LEGAL FORCE AND EFFECT AS IF EXECUTED BY LICENSEE.

4. QUALITY CONTROL.

4.1 Acknowledgment of Quality. The parties acknowledge that the Licensed Marks have come to signify a high level of quality to the purchasing public and that Licensor's use of the Licensed Marks before the Effective Date has been in connection with high quality products and services. The parties further agree that it is important to both parties and to the purchasing public that the goodwill in the Licensed Marks be retained and enhanced, and that the sale of quality products and services under the Licensed Marks is the essence of this Agreement.

4.2 Acceptable Level of Quality. Licensee agrees to maintain at all times a minimum level of quality of the products and services sold in connection with the Business operated under the Licensed Marks (hereinafter referred to as "Acceptable Level of Quality"). This Acceptable Level of Quality shall be substantially consistent with or superior to, but in any case must not be inferior in any material respect to, the level of quality maintained by Licensee in the products and services sold in connection with the Business as Licensor's wholly owned subsidiary prior to the separation. Licensee also agrees as part of the Acceptable Level of Quality that the products and services sold in connection with the Business shall be produced, packaged, labeled, promoted, sold, distributed and provided in accordance with all applicable foreign, federal, state and local laws, and governmental orders and regulations as they all may be in effect from time to time, and that the policy of sale, distribution and exploitation by Licensee shall in no manner reflect adversely upon the Licensed Trademarks. Licensee shall have a continuing obligation to immediately notify Licensor within three (3) business days of any conflict of which it becomes

aware between any requirement of Licensor, and applicable foreign, federal, state and local laws, and governmental orders and regulations as may be in effect from time to time. Licensee shall be responsible for modifying any Licensed Copyrighted Works (including the costs of any such modifications) as may be required to comply with applicable foreign, federal, state and local laws, and governmental orders and regulations or with the terms of this Agreement. Any such modification shall be made in accordance with Section 2.4; provided that Licensor agrees to provide as soon as reasonably practicable any approval that is necessary to authorize Licensee to modify any Licensed Copyrighted Works as may be required to comply with applicable foreign, federal, state and local laws, and governmental orders and regulations. Licensee shall have a further continuing obligation to notify Licensor immediately of any inquiry, investigation, inspection or any other action by any government body or unit thereof, with respect to the production, packaging, promotion, sale or distribution of the products and services sold in connection with the Business by Licensee (or any Permitted Third Party Provider) and the results thereof, or by any of Licensee's customers.

4.3 Inspection of Premises and Licensed Products. Licensor, or its designated representatives, shall have the right, at any time upon reasonable notice to Licensee, to conduct during regular business hours an examination of the products and services sold in connection with the Business offered by Licensee under the Licensed Marks and to inspect and review during regular business hours the business locations of Licensee and any Permitted Third Party Provider, including all manufacturing, packaging, distribution, storage facilities and the like, for the purpose of assuring adherence to the Acceptable Level of Quality, proper use of the Licensed Marks, and compliance with the terms of this Agreement. Licensee and any Permitted Third Party Provider shall comply with all of Licensor's reasonable requests directed to the condition of or conduct of activities at these business locations that may, in Licensor's reasonable business judgment, affect the quality of the products and services offered in connection with the Business and maintenance of an Acceptable Level of Quality. If at any time, under any circumstances, Licensor determines that the products and services offered in connection with the Business fail to be of an Acceptable Level of Quality, Licensor shall so notify Licensee. Licensee and any Permitted Third Party Provider shall immediately make such changes as are required to obtain an Acceptable Level of Quality.

4.4 Provision of Samples. Licensee agrees to furnish to Licensor, or Licensor's designated representative, samples of Licensee's uses of the Licensed Marks, including product, packaging, labels, signage and all forms of advertising, promotional, and marketing materials, as Licensor may request at any time, for the purpose of inspecting to ensure that these uses are of an Acceptable Level of Quality and have been approved by Licensor for use with the Licensed Marks. Licensee agrees to work promptly to correct or remedy uses of the Licensed Marks which may, for any reason, fail in the judgment of Licensor to meet the Acceptable Level of Quality imposed by Licensor, or to violate the terms of this Agreement.

4.5 Maintenance of Reputation and Goodwill. Licensee agrees that neither Licensee nor any Permitted Third Party Provider who is not an Affiliate of Licensor nor any other person or entity which controls, is controlled by, or is under common control with either Licensee or any Permitted Third Party Manufacturer who is not an Affiliate of Licensor, shall, during the Term or thereafter, misuse the Licensed Marks or the Trademark Rights, take any action that would bring any of them into public disrepute, or take any action that would reasonably be expected to destroy or diminish Licensor's ownership, value or goodwill in the Licensed Marks, the Licensed Copyrighted Works or the Trademark Rights.

5. OTHER CONDITIONS APPLICABLE TO LICENSED MARKS AND LICENSED COPYRIGHTED WORKS.

5.1 In connection with any and all of its uses of the Licensed Marks, Licensee agrees to identify the licensed use under this Agreement and the proprietary rights of Licensor. Examples of such notices include "CLEAR CHANNEL is a registered mark of Clear Channel Identity, L.P." and "CLEAR CHANNEL is a registered mark used by CCE Spinco, Inc. under license from Clear Channel Identity, L.P."

5.2 In connection with its use of any of the Licensed Marks, Licensee agrees to use commercially reasonable efforts to make proper use of the "®" symbol or other proper notice to indicate a registered mark, and the "™" symbol to indicate an unregistered mark in which Licensor may claim rights and/or which is the subject of a state registration. Upon receiving notice from Licensor that Licensee's use of a registration notice or "™" symbol is incorrect or otherwise deemed unacceptable, Licensee shall promptly modify such uses to obviate Licensor's objections. Licensor shall use commercially reasonable efforts to include a legally sufficient copyright notice on the Licensed Copyrighted Works, including any modification or derivative works of the original Licensed Copyrighted Works. Licensee shall comply with all of Licensor's requests concerning the copyright notice for the Licensed Copyrighted Works.

6. ACKNOWLEDGMENT OF RIGHTS; CESSATION OF USE.

6.1 Goodwill. Licensee acknowledges that all goodwill accruing to Licensee's use of the Licensed Marks and/or Trademark Rights shall inure to the benefit of Licensor.

6.2 Acknowledgment of Licensor's Ownership; Cessation of Use. Licensee expressly recognizes and acknowledges that the use of the Licensed Marks or Licensed Copyrighted Works shall not confer upon Licensee any intellectual property or other proprietary rights. Upon expiration or upon termination of this Agreement, the Trademark License and/or the Copyright License for any reason, Licensee shall immediately cease all use of the Licensed Marks, the Licensed Copyrighted Works and the New Works (except as expressly permitted in this Agreement). Licensee further agrees that, at no time after the expiration or termination of its rights to use the Licensed Marks pursuant to this Agreement, will it make any further use of the Licensed Marks or any other designation, symbol, design, emblem, mark, or name similar to the Licensed Marks even if Licensor does not thereafter use the Licensed Marks, either itself or through another authorized party.

6.3 Agreement Not to Contest. Licensee shall not question, contest or challenge the title or ownership by Licensor of the Licensed Marks or the Licensed Copyrighted Works during the Term or thereafter. Licensee will claim no right, title or interest in the Licensed Marks or any other designation, symbol, design, emblem, mark, or name similar thereto or the Licensed Copyrighted Works except the right to use the same pursuant to the terms, provisions and conditions of this Agreement, and will not seek during the Term or thereafter to register the same in any jurisdiction or before any agency, regulatory body, or official entity.

6.4 Registration of Domain Names. Licensee agrees that neither Licensee nor any other person or entity which controls, is controlled by, or is under common control with Licensee

shall during the Term or thereafter register or use any domain name that incorporates the Licensed Marks, or any formative of the Licensed Mark, or any confusingly similar mark, whether in a top level domain name or secondary domain name, or as part of any other uniform resource locator (URL) address.

6.5 Licensor's Right to Protect Trademarks and Copyrights. Nothing in this Agreement shall be construed to bar Licensor from protecting its right to the exclusive use of its trademarks, service marks, names or copyrights against infringement thereof by any party or parties, including Licensee (in the case of its use of any of the foregoing other than pursuant to the Trademark License or the Copyright License), either during the Term or thereafter.

7. POLICING OF TRADEMARK RIGHTS AND COPYRIGHTS.

7.1 Duty to Notify of Infringement. Licensee shall promptly notify Licensor in writing in the event it becomes aware of any third party infringing, misusing, or otherwise violating any of Licensor's rights in the Licensed Marks or the Licensed Copyrighted Works, or who Licensee believes is, or may be infringing, diluting, or otherwise derogating the Licensor's rights in the Licensed Marks or the Licensed Copyrighted Works.

7.2 Enforcement Action by Licensor. Licensor may, at its sole discretion, take action against such third party to enforce its interest in the Licensed Marks and the Licensed Copyrighted Works, and in such event shall be entitled to retain all monetary recovery from any such third party by way of judgment, settlement, or otherwise. In the event Licensor elects or takes enforcement action, Licensee agrees to cooperate promptly and fully with any such effort, at Licensee's expense.

8. CONFIDENTIALITY.

8.1 Each of Licensor and Licensee (the "Receiving Party"), on behalf of itself, and on behalf of its Affiliates, agrees to maintain the confidentiality of all data and other proprietary information concerning the other party (the "Disclosing Party") and/or the Disclosing Party's Affiliates that may be made available or disclosed to it during the Term (collectively, the "Confidential Information"); provided that Confidential Information will not include any information that: (a) is or becomes generally available to the public other than as a result of a breach of this Agreement by the Receiving Party or its Affiliates; (b) was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party; (c) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party who the Receiving Party reasonably believes is not bound by a legal or contractual obligation not to disclose such Confidential Information; or (d) was independently developed by the Receiving Party without use of or reference to the Confidential Information. Without limiting the foregoing, Licensor and Licensee will utilize the same methods and practices in the protection of the Confidential Information that each utilizes in protecting its own confidential information. Each of Licensor and Licensee, in its capacity as a Receiving Party, agrees that it will not disclose the Confidential Information of the Disclosing Party without the prior written consent of the Disclosing Party, except for disclosures (a) that may be required by applicable law, rule or regulation, (b) that may be required by the Receiving Party to enforce the rights of the Receiving Party under this Agreement, and (c) to the Receiving Party's

Affiliates and other representatives and agents that the Receiving Party reasonably believes need to know such Confidential Information to perform obligations hereunder. Each of Licensor and Licensee, in its capacity as a Receiving Party, will be responsible for any breach of this Section 8.1 by its Affiliates, representatives and agents. Before any disclosure is made pursuant to applicable law, rule or regulation, the party with the disclosure requirement will, if permitted by applicable law, rule or regulation, give advance written notice of such disclosure to the non-disclosing party so that such non-disclosing party may seek a protective order against such disclosure. In the absence or unavailability of any such protective order, the party with the disclosure requirement hereby agrees to take all reasonable and lawful actions to seek confidential treatment for such disclosure and, to the extent practicable, to minimize the extent of such disclosure. The provisions of this Section 8.1 shall survive expiration or termination of this Agreement for any reason and shall remain in full force and effect in accordance with its terms, without modification, limitation or impairment of any kind for a period of two (2) years following such expiration or termination.

9. ASSIGNMENT AND SUBLICENSE.

9.1 Restriction on Assignment and Sublicense. Except as otherwise expressly set forth herein, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned, transferred, conveyed or delegated by Licensee in any manner (whether by operation of law pursuant to a change of control or otherwise) without the prior written consent of Licensor, and any purported assignment, transfer, conveyance or delegation in violation hereof will be null and void, provided that Licensee may assign this Agreement and its rights and obligations hereunder to any direct successor to all or substantially all of the Business. This Agreement is not intended to confer any rights or benefits on any person or entity other than the parties hereto, except as expressly provided in Section 10.1. Licensee shall not sublicense any of its rights under this Agreement without the express prior written consent of Licensor, which shall be solely within Licensor's discretion and subject to Licensee's sublicensee's express written agreement to abide by and comply with all of the terms and conditions of this Agreement. Licensor may freely transfer this Agreement and its rights or obligations hereunder or the Licensed Marks or Licensed Copyrighted Works, subject only to Licensee's rights under this Agreement.

9.2 Continuance of Obligations. Any assignment or sublicense of rights of Licensee under this Agreement, even with the prior consent of Licensor, shall not operate to release, limit, impair or suspend any of the obligations of Licensee under this Agreement.

10. WARRANTY DISCLAIMER/INDEMNITY/HOLD HARMLESS.

10.1 Licensee's Indemnification Obligation. Regardless of any inspections conducted by or consents granted by Licensor and regardless of compliance by Licensee (or any Permitted Third Party Provider) with any standards promulgated hereunder, Licensee agrees to indemnify, defend and hold harmless Licensor, its Affiliates (including parent entities), and their respective stockholders, directors, officers, employees, agents and assignees from and against any and all claims, demands, causes of action, damages, losses, liabilities, judgments, costs, fines, penalties, obligations, together with all reasonable costs and expenses incurred in connection with the foregoing (including, without limitation, court costs, litigation expenses and reasonable attorneys fees) ("Damages") that any of them may suffer or incur (including pursuant to

judgment or settlement) as a result of or relating to (a) Licensee's use of the Licensed Marks or the Licensed Copyrighted Works, (b) Licensee's breach of any of the terms of this Agreement, and (c) the activities or omissions of Licensee or any of its stockholders, directors, officers, employees, agents and assignees; provided, however, that Licensor shall not be entitled to indemnification hereunder to the extent that the Damages being sought were caused by any breach of a representation or warranty of Licensor hereunder or act or omission of Licensor. If in the reasonable good faith judgment of Licensor, the Licensee fails to undertake and continue the defense of any of the foregoing, Licensor shall have the right (but not obligation) to make and continue such defense as it considers appropriate and to settle the underlying matter at the expense of Licensee. Nothing herein shall prevent Licensor from defending, if it so desires in its own discretion, any matter at its own expense through its own counsel, notwithstanding that the defense thereof may have been undertaken by Licensee.

10.2 Warranty. Licensor represents and warrants that it has full right and authority to grant the licenses granted to Licensee hereunder.

10.3 Warranty Disclaimer. EXCEPTING ONLY THE WARRANTY BY LICENSOR IN SECTION 10.2, LICENSEE HEREBY EXPRESSLY ACKNOWLEDGES THAT LICENSOR MAKES NO WARRANTIES OF ANY KIND TO LICENSEE, WHETHER WITH RESPECT TO THE LICENSED MARKS, THE LICENSED COPYRIGHTED WORKS OR OTHERWISE. EXCEPTING ONLY THE WARRANTY BY LICENSOR IN SECTION 10.2, LICENSOR HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OBLIGATION, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11. DEFAULT; TERMINATION OF LICENSES.

11.1 Defaults. For purposes of this Agreement, the term "Default" shall mean and include any of the following:

(a) the failure of Licensee or a Permitted Third Party Provider to fully and timely perform any of its obligations under this Agreement (including any failure to maintain an Acceptable Level of Quality), which failure continues for thirty (30) calendar days, in the case of a failure to maintain an Acceptable Level of Quality, or for ninety (90) days, in the case of other failure, after written notice to Licensee from Licensor describing such failure with reasonable specificity;

(b) the failure of any of the warranties or representations of Licensee in this Agreement to be true and correct, which failure is not fully remedied within thirty (30) calendar days of written notice to Licensee from Licensor describing such failure with reasonable specificity.

11.2 This Agreement and the Trademark License and Copyright License granted to Licensee under this Agreement, together with any and all rights of Licensee or any of its assigns or sublicensees, shall terminate upon the first to occur of the following:

(a) Expiration of the Term;

(b) the date specified for termination in a written notice by Licensee to Licensor;

(c) the date specified for termination in a written notice by Licensor to Licensee after the occurrence of the Default;

(d) (i) Licensee files a petition for bankruptcy or is otherwise adjudicated bankrupt, (ii) a petition for bankruptcy is filed against Licensee and such petition is not dismissed within ninety (90) calendar days, or (iii) Licensee becomes insolvent, discontinues its business or voluntarily submits to, or is ordered by a bankruptcy court to undergo, liquidation pursuant to Chapter 7 of the United States Bankruptcy Code (or any successor thereto);

(e) any assignment for the benefit of creditors of Licensee; or

(f) any attachment, execution of judgment or process against any of Licensee's rights under the Trademark License, the Copyright License or otherwise under this Agreement, unless satisfied or released within sixty (60) calendar days.

11.3 Additional Requirements Upon Expiration or Termination. Upon termination or expiration of this Agreement for any reason, all rights granted to Licensee hereunder shall cease, including the Trademark License and the Copyright License.

(a) In addition to requirements upon expiration or termination set forth elsewhere in this Agreement, within ten (10) calendar days of termination or expiration of this Agreement for any reason, Licensee shall return or destroy, all materials (including, without limitation, product, packaging, labels, signage, marketing, advertising or promotional materials) pertaining to use of the Licensed Marks and the Licensed Copyrighted Works that are in Licensee's possession (or in the possession of any third party over which Licensee maintains control with respect to possession of such materials, including any Permitted Third Party Provider).

(b) Upon termination or expiration of this Agreement for any reason, Licensee shall not operate its business in any manner which could suggest to the public that such license is still in force, or that any relationship exists between Licensor and Licensee. Without limitation, it is understood that this Section 11.3(b) shall require Licensee to "de-identify" its facilities, products, services and materials so as to remove any references to any of the Licensed Marks, including from its signage and all advertising, marketing, packaging and promotional materials, and to change the overall appearance of any location to eliminate the use of any trademark or trade dress confusingly similar with those owned by Licensor.

11.4 Survival. In addition to the survival provisions set forth elsewhere in this Agreement, the provisions Sections 1, 2.2 (with respect to royalties accruing during the Term), 2.5, 3.1, 3.3, 3.4, 3.7, 4.5, 6, 7.2, 8.1, 9, 10, 11.3, 11.4, 12, 13, 14 and 15 shall survive expiration or termination of this Agreement for any reason and shall remain in full force and

effect in accordance with their respective terms, without modification, limitation or impairment of any kind.

12. INJUNCTIVE RELIEF; GOVERNING LAW.

12.1 Injunctive Relief. Licensee acknowledges and agrees that Licensor would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly, Licensee agrees that Licensor shall be entitled to injunctive relief, in addition to an award for damages to prevent breaches of the provisions of this Agreement and to enforce specifically (without posting bond) this Agreement and the terms and provisions hereof.

12.2 Governing Law.

(a) THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENTS TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS AND OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF DELAWARE, FOR ANY LITIGATION, CLAIM OR DISPUTE UNDER THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY (AND AGREES NOT TO COMMENCE ANY LITIGATION, CLAIM OR DISPUTE RELATING HERETO EXCEPT IN SUCH COURTS); PROVIDED, THAT THIS SECTION 12.2(b) SHALL NOT PRECLUDE ANY PARTY TO THIS AGREEMENT FROM COMMENCING LITIGATION, CLAIM OR DISPUTE IN ANOTHER JURISDICTION TO SECURE ENFORCEMENT OF ANY JUDGMENT OR AWARD OBTAINED IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, INCLUDING AN AWARD OF SPECIFIC PERFORMANCE. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY LITIGATION, CLAIM OR DISPUTE ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN THE COURTS OF THE STATE OF TEXAS OR THE UNITED STATES OF AMERICA LOCATED IN TEXAS, HEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

13. STATUS OF THE PARTIES.

13.1 Employment/Partnership Issues. This Agreement does not create, is not intended to create, and shall not be interpreted or construed as creating a partnership, joint venture,

agency, employment, master and servant, or similar relationship between Licensor and Licensee, and no representation to the contrary shall be binding upon either party.

14. NOTICES.

All notices and other communications under this Agreement must be in writing and will be deemed given (a) when delivered personally, (b) on the fifth business day after being mailed by certified mail, return receipt requested, (c) the next business day after delivery to a recognized overnight courier or (d) upon transmission and receipt by the facsimile operator of confirmation of successful transmission, if sent by facsimile, to the parties at the following addresses or facsimile numbers (or to such other address or facsimile number as such party may have specified by notice given to the other party pursuant to this provision):

If to Licensor, to:

Clear Channel Identity, L.P.
c/o Clear Channel Communications, Inc.
200 E. Basse Road
San Antonio, TX 78209
Attn: Chief Executive Officer
Facsimile: (210) 822-2299

If to Licensee, to:

CCE Spinco, Inc.
9348 Civic Center Drive, 4th Floor
Beverly Hills, CA 90210
Attn: Chief Executive Officer
Facsimile: (310) 867-7051

15. MISCELLANEOUS.

15.1 Attorneys' Fees and Costs. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the Prevailing Party (as defined below) will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith. A party will be considered the "Prevailing Party" if: (a) it initiated the litigation and substantially obtained the relief it sought, either through a judgment or the losing party's voluntary action before trial or judgment; (b) the other party withdraws its action without substantially obtaining the relief it sought; or (c) it did not initiate the litigation and judgment is entered into for any party, but without substantially granting the relief sought by the initiating party or granting more substantial relief to the non-initiating party with respect to any counterclaim asserted by the non-initiating party in connection with such litigation.

15.2 Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (pdf)) for the convenience of the parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a party's execution hereof

will be deemed to be delivered by such party to any other party hereto until such delivering party has received signature pages from all parties signatory to this Agreement.

15.3 Headings. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and will not in any way affect the meaning or interpretation of this Agreement.

15.4 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, each of which will remain in full force and effect, so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in a manner materially adverse to any party.

15.5 Binding Effect. This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

15.6 Entire Agreement. This Agreement and the related documents contained as Exhibits hereto contain the entire understanding of the parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement is sought. The recitals to this Agreement are hereby incorporated by reference and made a part of this Agreement for all purposes. To the extent of any conflict between this Agreement and the Master Separation and Distribution Agreement, the provisions of this Agreement shall control.

15.7 Construction. Neither this Agreement nor any provision contained in this Agreement will be interpreted in favor of or against any party hereto because such party or its legal counsel drafted this Agreement or such provision. Whenever the plural form of a word is used in this Agreement, that word will include the singular form of that word. Whenever the singular form of a word is used in this Agreement, that word will include the plural form of that word. The term “and” shall also mean “or” and “or” shall also mean “and” as the context permits or requires to provide the broadest meaning or inclusion of the subject. The term “include” or any derivative of such term does not mean that the items following such term are the only types of such items.

15.8 Effect of Licensor Approvals. The parties recognize that the need for the protection of consumers and of the public is of paramount consideration. Accordingly, the parties agree that in no event will any approval granted by Licensor under this Agreement serve to confirm Licensee’s compliance with, or absolve or otherwise release Licensee of its responsibilities to comply with, the provisions of this Agreement, including those relating to Product quality.

15.9 Time is of the Essence. Time is of the essence of this Agreement.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed in duplicate originals by its duly authorized representatives on the respective dates entered below.

LICENSOR:

CLEAR CHANNEL IDENTITY, L.P.

By ___, its general partner

By: /s/ Randall Mays
Name: Randall Mays
Title:

LICENSEE:

CCE SPINCO, INC.

By: /s/ Michael Rapino
Name: Michael Rapino
Title: Chief Executive Officer

The undersigned subsidiaries of CCE Spinco, Inc. have caused this Trademark and Copyright License Agreement to be executed to be effective on the date first written above by their respective duly authorized officers for the purpose of agreeing to be bound to this Trademark and Copyright License Agreement and to be liable, jointly and severally, with CCE Spinco, Inc. to Clear Channel Communications, Inc. for all covenants, agreements, liabilities and obligations provided herein or arising hereunder.

CCE HOLDCO #1, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

CCE HOLDCO #2, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

SFX ENTERTAINMENT, INC.

By: /s/ Michael Rapino
Michael Rapino
Chief Executive Officer

EXHIBIT A

Exhibit A

EXHIBIT B

Certain Domain Name Registrations

1. cc.com

EXHIBIT C

Royalty Rate

With respect to the period beginning on the Effective Date and ending on June 20, 2006, no royalties shall accrue or be payable.

With respect to the period beginning on June 21, 2006 and ending on the last day of the Term, royalties shall accrue at the rate of $100,000 per calendar month or, for any period of less than a full calendar month, at the rate of $3,300 per day.

Exhibit 10.5

Clear Channel Entertainment
Nonqualified Deferred
Compensation Plan

Effective November 1, 2005

Prepared by
Mercer Human Resource Consulting for
Review by legal counsel

Mercer Human Resource Consulting does not engage in the practice of law. Amendments to this Plan document should be approved by legal counsel.

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ARTICLE I
PURPOSE AND EFFECTIVE DATE

Section 1.01

Title. This Plan shall be known as the Clear Channel Entertainment Nonqualified Deferred Compensation Plan (hereinafter referred to as the "Plan").

Section 1.02

Purpose. The purpose of the Plan is to aid SFX Entertainment, Inc. d/b/a Clear Channel Entertainment and its affiliates and subsidiaries in retaining and attracting executive Employees and members of the Board of Directors by providing them with tax deferred savings opportunities. The Plan provides to Board members and a select group of management and highly compensated employees of SFX Entertainment, Inc. d/b/a Clear Channel Entertainment with the opportunity to elect to defer receipt of specified portions of compensation, and to have these deferred amounts treated as if invested in specified hypothetical investment benchmarks. It is the intention of the Company that the Plan meet all of the requirements necessary to qualify as a nonqualified, unfunded, unsecured plan of deferred compensation within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1), and all Plan provisions shall be interpreted accordingly. Further, it is the intention of the Company for the Plan to meet all of the requirements of Code Section 409A and any regulations or guidance promulgated thereunder so that all amounts deferred by or on behalf of a Participant hereunder shall not be includible in the income of such Participant until distributed to the Participant.

Section 1.03

Plan History and Effective Date. This Plan is a successor to the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan (herein referred to as the Prior Plan) and is a result of the spin-off of the accounts of the Transferred Participants (as defined herein) from the Prior Plan as a separate plan as of November 1, 2005.

For purposes of this Plan, any Participation Agreements, Election Forms or Beneficiary Designations completed or made by the Transferred Participants (as defined herein) shall be deemed to have been made under this Plan.

The original effective date of the Prior Plan was October 1, 2001 and the effective date of the restatement of the Prior Plan was January 1, 2005. The effective date of this Plan is November 1, 2005.

ARTICLE II
DEFINITIONS

For the purposes of this Plan, the following words and phrases shall have the meanings indicated, unless the context clearly indicates otherwise:

Section 2.01

Administrative Committee. Prior to the closing date of Clear Channel Communications, Inc.'s distribution to its shareholders of all of the outstanding capital stock of the Company, "Administrative Committee" means the Clear Channel Communications, Inc. Retirement Benefits Committee, as appointed by the board of directors of Clear Channel Communications, Inc. On or after that date, "Administrative Committee" means the Clear Channel Entertainment, Inc**.** Retirement Benefits Committee, as appointed by the Board.

Section 2.02

Base Salary and Commission. "Base Salary and Commission" means all cash compensation other than Bonuses paid by the Company to or for the benefit of a Participant for services rendered or labor performed while a Participant, including but not limited to base salary and commission, and includes such cash compensation a Participant could have received in lieu of Deferrals hereunder and Employee contributions made on the Participant's behalf to any qualified plan maintained by the Company or to any cafeteria plan maintained by the Company under Section 125 of the Code; provided, however, that "Base Salary and Commission" shall not include any amounts paid to a Participant as severance under any Company severance agreement, plan or policy or amounts of cash compensation earned prior to the Participant's Termination of Employment but paid to a Participant more than 30 days following such Participant's Termination of Employment or Retirement.

Section 2.03

Beneficiary. "Beneficiary" means the person, persons or entity designated by a Participant, pursuant to Article IX hereof, to receive such payments as may become payable hereunder after the death of the Participant.

Section 2.04

Board. "Board" means the Board of Directors of SFX Entertainment, Inc. d/b/a Clear Channel Entertainment.

Section 2.05

Bonus or Bonuses. "Bonus" or "Bonuses" means the cash compensation paid by the Company to or for the benefit of a Participant for services rendered or labor performed while a Participant under a bonus arrangement, increased by Deferrals hereunder and Employee contributions made on his or her behalf to any qualified plan maintained by the Company or to any cafeteria plan maintained by the Company under Section 125 of the Code excluding amounts paid after Termination of Employment or Retirement.

Section 2.06

Change of Control. For purposes of this Plan, a "Change of Control" means the occurrence of one of the following events:

(a) Any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Section 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes, after the Effective Date, a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities"); provided however, that an event described in this paragraph (a) shall not be deemed to be a Change of Control if any of the following becomes such a "beneficial owner": (i) the Company or any majority-owned subsidiary (provided, that this exclusion applies solely to the ownership levels of the Company or the majority-owned subsidiary), (ii) any tax-qualified, broad-based employee benefit plan sponsored or maintained by the Company or any majority-owned subsidiary, (iii) any underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) any person pursuant to a Non-Qualifying Transaction as defined in paragraph (c);

(b) individuals who, on the Effective Date, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the Effective Date whose election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be an Incumbent Director, provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be an Incumbent Director;

(c) the approval by the shareholders of the Company of a merger, consolidation, share exchange or similar form of transaction involving the Company or any of its subsidiaries, or the sale of all or substantially all of the Company's assets (a "Business Transaction"), unless immediately following such Business Transaction, (i) more than 65% of the total voting power of the entity resulting from such Business Transaction or the entity acquiring the Company's assets in such Business Transaction (the "Surviving Corporation") is beneficially owned, directly, or indirectly, by the Company's shareholders immediately prior to any such Business Transaction, and (ii) no person (other than the persons set forth in clauses (i), (ii), or (iii) of paragraph (a) above or any tax -qualified, broad-based employee benefit plan of the Surviving Corporation or its Affiliates) beneficially owns, directly or indirectly, 25% or more of the total voting power of the Surviving Corporation (a "Non-Qualifying Transaction"); or

(d) Board approval of a liquidation or dissolution of the Company.

Section 2.07

Code. "Code" means the Internal Revenue Code of 1986, as amended. References to any provision of the Code or regulation (including a proposed regulation) thereunder shall include any successor provisions or regulations.

Section 2.08

Common Stock. “Common Stock” means the common stock of Clear Channel Communications, Inc., $0.10 par value per share.

Section 2.09

Company. “Company” means SFX Entertainment, Inc. d/b/a Clear Channel Entertainment and any subsidiary or affiliated companies or entities authorized by the Board or the Compensation Committee to participate in the Plan, or any successor entity by operation of law or affirmative assumption of the Plan, any trust created by the Company for purposes of meeting the Company’s obligations hereunder, and the obligations of SFX Entertainment, Inc. d/b/a Clear Channel Entertainment with respect to the Plan.

Section 2.10

Compensation Committee. Prior to the closing date of Clear Channel Communications, Inc.’s distribution to its shareholders of all of the outstanding capital stock of the Company, “Compensation Committee” means the Compensation Committee of the board of directors of Clear Channel Communications, Inc. On or after that date, “Compensation Committee” means the Compensation Committee of the Board.

Section 2.11

Deferral Account. “Deferral Account” means the record of a Participant’s interest in this Plan represented by Deferrals, with all earnings thereon credited to such Deferrals on behalf of the Participant under the provisions of this Plan, and all losses, expenses, withdrawals and distributions thereon debited from such Deferrals. The Deferral Account of a Transferred Participant shall include the deferral account from the Prior Plan transferred to this Plan.

Section 2.12

Deferral Period. “Deferral Period” means the period of time specified by a Participant in a Participation Agreement in accordance with the provisions of the Plan which must elapse prior to a distribution of the Participant’s Deferral and Matching Contribution Accounts hereunder.

Section 2.13

Deferrals. “Deferrals” means those portions of a Participant’s Eligible Compensation which the Participant elects to have withheld on a pre-tax basis from his or her Eligible Compensation and credited to his or her Deferral Account pursuant to Section 6.02 of the Plan.

Section 2.14

Designee. “Designee” means the Company’s senior human resources officers or other individuals to whom the Administrative Committee has delegated the authority to take action under the Plan. Wherever Administrative Committee is referenced in the Plan, it shall be deemed to also refer to Designee.

Section 2.15

Director. “Director” means a nonemployee member of the Board.

Section 2.16

Director’s Compensation. “Director’s Compensation” means that cash compensation paid by the Company to or for the benefit of a Director for services rendered as a Director.

Section 2.17

Director’s Deferral Election Form. “Director’s Deferral Election Form” means the form established from time to time by the Compensation Committee that a Director completes and submits to effect a Deferral hereunder.

Section 2.18

Disability or Disabled. “Disability” or “Disabled” means a medically determinable physical or mental impairment of the Participant which can be expected to result in death or can be expected to last for a continuous period of at least twelve (12) months and for which the Participant has received income replacement benefits for a period of not less than three months under the Company’s accident or health plan covering the Employee.

Section 2.19

Effective Date. “Effective Date” means November 1, 2005, for this successor Plan. The original effective date of the Prior Plan was October 1, 2001.

Section 2.20

Election Date. “Election Date” means the date established by the Compensation Committee as the date on or before which an Eligible Employee or Director must complete and submit a valid Participation Agreement or Director’s Deferral Election Form, as the case may be. The applicable Election Date can be no later than the following: (a) 30 days following the Eligible Employee or Director’s eligibility date as described in Section 5.01 or (b) December 15th prior to the next Plan Year if (a) above does not apply.

Notwithstanding the foregoing, a Transferred Participant shall not have an Election Date as of the Effective Date.

Section 2.21

Eligible Compensation. “Eligible Compensation” means any Base Salary and Commission, Bonus, and Director’s Compensation, payable to a Participant during a Plan Year.

Section 2.22

Eligible Employee. “Eligible Employee” means an Employee who is eligible to participate in the Plan and is a member of a select group of management or highly compensated employees at the time of electing to make a Deferral.

Section 2.23

Employee. “Employee” means a person who is employed in the capacity of an employee of the Company.

Section 2.24

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

Section 2.25

Fair Market Value. “Fair Market Value,” with respect to a share of Common Stock as of any date, means (a) the closing sales price of the Common Stock on the New York Stock Exchange or on any such other exchange on which the Common Stock is traded on such date, or in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported, or (b) in the event there is no public market for the Common Stock on such date, the fair market value as determined in good faith by the Compensation Committee in its sole and absolute discretion.

Section 2.26

Hypothetical Investment Benchmark. “Hypothetical Investment Benchmark” means the phantom investment benchmarks determined by reference to one or more of the investment alternatives designated by a Participant in accordance with Article VII of this Plan. The amount of interest credited on each Valuation Date (or deducted in the case of a loss by the designated investment alternatives) shall equal the interest, dividends, increase or decrease in market value and other earnings or losses that would have been credited to a Participant’s Deferral or Matching Contribution Account if the amounts in the Deferral or Matching Contribution Account had actually been invested in the designated investment alternative(s).

Section 2.27

Matching Contribution. “Matching Contribution” means the amount of matching contribution, if any, that the Company may make to a Participant’s Matching Contribution Account pursuant to Section 6.01 of the Plan, at the sole and absolute discretion of the Compensation Committee.

Section 2.28

Matching Contribution Account. ”Matching Contribution Account” means the record of a Participant’s interest in this Plan represented by the Matching Contributions, with all earnings thereon credited to such Matching Contributions on behalf of the Participant under the provisions of this Plan, and all losses, expenses, withdrawals and distributions thereon debited from such Matching Contributions. The Matching Contribution Account of a Transferred Participant shall include the matching contribution account transferred from the Prior Plan to this Plan.

Section 2.29

Participant. “Participant” means any Eligible Employee or Director who has elected to participate by properly submitting a completed Participation Agreement or Director’s Deferral Election Form as provided in Article VI of the Plan. An individual will remain a Participant until the distribution of the entire balance, if any, of such Participant’s Deferral and Matching Contribution Account(s), even if such Participant is no longer an Eligible Employee and cannot make future Deferrals. A Participant shall include any Transferred Participant**.**

Section 2.30

Participation Agreement. "Participation Agreement" means an Eligible Employee's election, made in accordance with procedures established by the Compensation Committee, to effect a Deferral hereunder. A Transferred Participant's participation agreement under the Prior Plan for the 2005 calendar year shall be deemed to be a Participation Agreement under this Plan for the remainder of the 2005 calendar year occurring on or after the Effective Date of this Plan, with respect to deferral elections for the 2005 calendar year for Base Salary and Commissions and for deferral elections for the 2005 calendar year for Bonuses paid in both the 2005 and 2006 calendar years.

Section 2.31

Plan Year. "Plan Year" means a twelve-month period beginning January 1 and ending the following December 31; provided that the first Plan Year for this successor Plan shall be a short Plan Year from November 1, 2005 through December 31, 2005.

Section 2.32

Prior Plan. "Prior Plan" means the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan, as in force and effect immediately prior to the Effective Date.

Section 2.34

Retirement. In the case of an Eligible Employee, "Retirement" means the Termination of Employment of a Participant from the employ or service of the Company or any of its subsidiaries or affiliates in accordance with the terms of the applicable Company retirement plan, or if a Participant is not covered by such a plan, the Participant's Termination of Employment on or after the earliest to occur of the following:

(a) the attainment by the Participant of age 65, or

(b) the attainment by the Participant of age 55 and ten years of service (in accordance with the method of determining years of service adopted by the Company).

In the case of a Director, "Retirement" means the termination of a Director's service as a member of the Board.

Section 2.35

Share Units. "Share Units" means units of deemed investment in shares of Common Stock in accordance with Section 7.05(d) of the Plan.

Section 2.36

Specific Year Deferral. "Specific Year Deferral" means a Deferral or Matching Contribution which has a Deferral Period of a specific number of full calendar years equal to or greater than three (3) as elected by a Participant in accordance with a Participation Agreement or a Director's Deferral Election Form.

Section 2.37

Termination of Employment. “Termination of Employment” means the cessation of a Participant’s services as an Employee of the Company, or any subsidiary or affiliate thereof, for any reason other than Retirement; provided, however, that transfer of employment from the Company, or from one affiliate or subsidiary of the Company, to another affiliate or subsidiary of the Company, or to the Company, will not constitute a Termination of Employment for purposes of this Plan. For purposes of this Plan, a Disabled Participant shall be deemed to have terminated employment.

Section 2.38

Transferred Participant. “Transferred Participant” means any participant in the Prior Plan who was a “transferred employee” or “former Entertainment Employee” as of November 1, 2005 as those terms are defined in the Employee Matters Agreement entered into between Clear Channel Communications, Inc. and CCE SPINCO, Inc.

Section 2.39

Valuation Date. “Valuation Date” means each business day of the Plan Year.

ARTICLE III
ADMINISTRATION

Section 3.01

Compensation Committee. This Plan shall be administered by the Compensation Committee. A majority of the members of the Compensation Committee shall constitute a quorum for the transaction of business. All resolutions or other actions taken by the Compensation Committee shall be by a vote of a majority of its members present at any meeting or, without a meeting, by an instrument in writing signed by all its members. Members of the Compensation Committee may participate in a meeting of such committee by means of a conference telephone or similar communications equipment that enables all persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at the meeting and waiver of notice of such meeting. Any resolutions adopted or actions taken at such meetings shall be evidenced in writing.

Section 3.02

Administration of the Plan. The Compensation Committee shall be responsible for the administration of this Plan and shall have all powers necessary to administer this Plan, including discretionary authority to determine eligibility for benefits and to decide claims under the terms of this Plan. Subject to the terms of the Plan, the Compensation Committee may from time to time establish rules, forms and procedures for the administration of the Plan, and except as herein otherwise expressly provided, it shall have the exclusive right and discretion to interpret the Plan and to decide any and all matters arising thereunder or in connection with the administration and operation of the Plan. All rules, interpretations, decisions, actions and records of the Compensation Committee regarding or arising in connection with the administration of the Plan shall be conclusive and binding on the Company, Participants and Beneficiaries and all persons having or claiming to have any right or interest in or under the Plan, and cannot be overruled by a court of law unless arbitrary or capricious.

Section 3.03

Delegation. The Compensation Committee may delegate to the Administrative Committee responsibility for performing certain administrative and ministerial functions under the Plan. The Administrative Committee may determine in the first instance issues related to eligibility, Hypothetical Investment Benchmarks, determination of Deferral and Matching Contribution Account balances, crediting of hypothetical earnings and debiting of hypothetical losses and distributions, in-service withdrawals, deferral elections, claims for benefits and any other duties concerning the day-to-day operation of this Plan. The Compensation Committee shall have discretion to delegate to the Administrative Committee such additional duties as it may determine. The Administrative Committee may retain and supervise outside providers, third party administrators, record keepers and professionals (including in-house professionals) to perform any or all of the duties delegated to it hereunder.

Section 3.04

Limitation of Liability. The members of the Compensation Committee and the Administrative Committee and the officers and Directors of the Company shall be entitled to rely on all certificates and reports made by any duly appointed accountants and on all opinions given by any duly appointed legal counsel. None of the members of the Compensation Committee, nor any member of the Board or Administrative Committee shall be liable for any act or action hereunder, whether of omission or commission, taken or failed to be taken by any other member or employee or by any agent to whom duties in connection with the administration of this Plan have been delegated or for anything done or omitted to be done in connection with this Plan. The Compensation Committee and the Administrative Committee shall keep records of all of their respective proceedings and the Administrative Committee shall keep records of all payments made to Participants or Beneficiaries and payments made for expenses or otherwise.

Section 3.05

Indemnification. The Company shall, to the fullest extent permitted by law, indemnify and hold harmless each current and former Director, officer or Employee of the Company (including the heirs, executors, administrators and other personal representatives of such person), and each current and former member of the Compensation Committee and Administrative Committee against any and all expenses (to the extent not indemnified under any liability insurance contract or other indemnification agreement) which the person incurs on account of any act or failure to act in connection with the good faith administration of the Plan. Expenses against which such person shall be indemnified hereunder shall include, without limitation, the amount of any settlement or judgment, costs, counsel fees, and related charges reasonably incurred by such person in connection with any threatened, pending or actual suit, action or proceeding (whether civil, criminal, administrative or investigative in nature or otherwise) in which such person may be involved by reason of the fact that he or she is or was serving this Plan in any capacity at the request of the Company, the Board, the Compensation Committee or the Administrative Committee. The foregoing right of indemnification shall be in addition to any other rights to which any such person may be entitled as a matter of law, but shall be conditioned upon the person's notifying the Company of the claim of liability within 60 days of the notice of that claim and offering the Company the right to participate in and control the settlement and defense of the claim. The foregoing provision will not be applicable to any person if the loss, cost, liability or expense is due to such person's gross negligence or willful misconduct, or if it affects the person's own Deferral and Matching Contribution Accounts.

Section 3.06

Expenses. Any expense incurred by the Company, the Compensation Committee or the Administrative Committee relative to the administration of this Plan shall be borne by the Company and may be deducted from the Deferral and Matching Contribution Accounts of the Participants as determined by the Compensation Committee in its sole and absolute discretion.

Section 3.07

FICA and Other Taxes. Under present Federal income tax laws, no portion of a Participant's Deferrals will be includable in income for Federal income tax purposes during the Deferral Period. FICA tax withholding, however, may be required currently on the Deferrals and on the Matching Contribution, if any. For each Plan Year in which a Deferral is being withheld,

the Company shall withhold from that portion of the Participant's compensation which is not being deferred, the Participant's share of FICA and any other taxes as required. When any part of the Deferral or Matching Contribution Account is actually paid to a Participant, such portion shall be includable in the Participant's income and Federal, state and local income tax withholding will be withheld as required. The Company may make necessary arrangements in order to effectuate any such withholding, including the mandatory withholding of shares of Common Stock which would otherwise be distributed to a Participant, but in no event should shares be withheld in excess of the number of whole shares required to be withheld in order to comply with the minimum withholding requirements.

ARTICLE IV
CLAIMS PROCEDURE

Section 4.01

Written Claim. Benefits shall be paid in accordance with the provisions of this Plan. If a Participant or Beneficiary makes a written request alleging a right to receive payments under this Plan or alleging a right to receive an adjustment in benefits being paid under this Plan, such actions shall be treated as a claim for benefits. All claims for benefits under this Plan shall be mailed or delivered to the Administrative Committee.

Section 4.02

Denied Claim. If the Administrative Committee determines that any individual who has claimed a right to receive benefits, or different benefits, under this Plan is not entitled to receive all or any part of the benefits claimed, the Administrative Committee shall inform the claimant in writing of such determination and the reasons therefore in terms calculated to be understood by the claimant. The notice shall be sent within 90 days of the claim unless the Administrative Committee determines that additional time, not exceeding 90 days, is needed and so notifies the Participant. The notice shall make specific reference to the pertinent Plan provisions on which the denial is based, and shall describe any additional material or information that is necessary. Such notice shall, in addition, inform the claimant of the procedure that the claimant should follow to take advantage of the review procedures set forth below in the event the claimant desires to contest the denial of the claim.

Section 4.03

Review Procedure. The claimant may, within 90 days after the denial of a claim submitted hereunder, submit in writing to the Administrative Committee a notice that the claimant contests the denial of his or her claim and desires a further review by the Compensation Committee. The Compensation Committee shall authorize the claimant to review pertinent documents and submit issues and comments relating to the claim to the Compensation Committee, and shall review the claim at its next regularly scheduled meeting.

Section 4.04

Compensation Committee Review. The Compensation Committee will render a final decision on behalf of the Company on a claim submitted hereunder and contested with specific reasons therefore in writing and will transmit it to the claimant within 60 days of the next regularly scheduled Compensation Committee meeting following written request for review, unless the Chairperson of the Compensation Committee determines that additional time, not exceeding 60 days, is needed, and so notifies the Participant.

ARTICLE V
ELIGIBILITY AND PARTICIPATION

Section 5.01

Eligibility. Participation in the Plan shall be limited to executives who meet such eligibility criteria as the Compensation Committee shall establish from time to time, provided, however, that all Participants must be a member of a select group of management or highly compensated Employees or a Director of the Company. Such an Eligible Employee or Director shall be eligible to participate in the Plan as of his eligibility date as described below:

(a) An Eligible Employee's eligibility date shall be the first of the month coinciding with or next following three months of employment.

(b) A Director's eligibility date shall be the first of the month coinciding with or next following three months after election or appointment as a new Director.

Section 5.02

Participation. Each Eligible Employee or Director may elect to participate in this Plan by completing and submitting a Participation Agreement or Directors' Deferral Election Form, as applicable, no later than the applicable Election Date.

Section 5.03

Participation by Transferred Participant. A Transferred Participant shall become a Participant in this Plan as of the Effective Date.

ARTICLE VI
COMPANY MATCHING CONTRIBUTIONS AND PARTICIPANT DEFERRALS

Section 6.01

Matching Contribution. Matching Contributions may be made at the sole discretion of the Compensation Committee. Any Matching Contribution approved by the Committee will be credited to the Participant's Matching Contribution Account as soon as administratively feasible after the end of the Plan Year to which the Matching Contribution relates. The amount of any Matching Contribution shall be at the sole and absolute discretion of the Compensation Committee, and may be equal to the matching contribution the Company would have made to a qualified Company defined contribution plan based on the Participant's eligible compensation (as defined by the defined contribution plan) for such plan's plan year, if the Participant made a contribution to the defined contribution plan in the amount of 5% of the Participant's eligible compensation (as defined by the defined contribution plan), less the amount equal to the Company's actual matching contribution to the defined contribution plan for such plan year. Matching Contributions will be made only to the extent that the Participant's aggregate Deferrals hereunder and contributions to a Company defined contribution plan equal or exceed 5% of eligible compensation under the defined contribution plan for such Plan Year.

Section 6.02

Deferral Election.

(a) An Eligible Employee or Director may elect to defer a portion of such person's Eligible Compensation for a Plan Year for a Deferral Period elected by such Eligible Employee or Director. An Eligible Employee or Director who desires to make a Deferral will complete and submit a Participation Agreement or Director's Deferral Election Form, as the case may be, by the Election Date pursuant to procedures specified by the Administrative Committee (1) specifying the applicable percentages of Eligible Compensation to be deferred, the date as of which the amounts to be deferred will become payable unless otherwise provided in the Plan, and the form in which the payments of the Deferrals are to be made, and (2) authorizing such Eligible Employee's or Director's Eligible Compensation payable for a Plan Year to be reduced and deferred hereunder.

(b) A Participant may defer Eligible Compensation for any Plan Year under subsection (a) hereof, in an amount expressed as whole percentages of his or her Base Salary and Commission, Bonus and Director's Compensation as follows:

(1) Base Salary and Commission: not less than 1% nor more than 50%;

(2) Bonus: not less than 1% nor more than 80%; and

(3) Director's Compensation: up to 100% but not less than 1%;

provided, however, that the Compensation Committee may, without amending this Plan, determine that the maximum applicable percentages will be greater or lesser than the percentages set forth herein.

(c) A Participant may elect Deferral Periods for each Deferral and Matching Contribution, which shall be the earlier to occur of (1) a Specific Year Deferral, and (2) the period ending upon the Retirement or earlier Termination of Employment of the Participant. Each such Specific Year Deferral must be for a minimum of three (3) full calendar years from the end of the Plan Year in which such a Specific Year Deferral was made.

(d) A Participant may elect to have a Specific Year Deferral distributed in either a cash lump sum or in up to five (5) substantially equal annual cash installments regardless of the value of the Participant's account balance as of the date of distribution. A Participant may elect to have a Deferral until Retirement distributed in either a cash lump sum or in up to fifteen (15) substantially equal annual cash installments; provided, however, that with respect to Deferrals until Retirement, a Participant must have an account balance equal to or greater than $25,000 thirty (30) days prior to the payment of the first installment in order to receive a distribution in the form of substantially equal annual cash installments. If said account balance is less than $25,000, the distribution will be paid in a single cash lump sum at the time the first installment payment was scheduled to be paid.

Section 6.03

Election Procedures. Eligible Employees who wish to make a Deferral must do so for each applicable Plan Year under the terms of the Plan. However, an election to defer until Retirement will remain in effect until modified or terminated as provided in Section 6.04 hereof. Future Deferrals will be terminated automatically for any Participant who is deemed by the Compensation Committee to no longer be eligible for participation in the Plan and there will be no acceleration of the distribution of such a Participant's vested account balance as a result of cessation of eligibility to participate. For purposes of this Article VI, a Participant's election made for the Plan Year beginning on or after January 1, 2005 to defer a portion of his or her Bonus shall apply to the Bonus earned in the following Plan Year and otherwise payable in the second Plan Year following the year in which the deferral election was made. Consistent with the above, the Compensation Committee may establish rules and procedures governing when a Deferral will be effective and what Compensation will be deferred by the Deferral, provided that such rules and procedures are not more permissive or inconsistent with the terms and provisions of the Plan and are consistent with the provisions of Code Section 409A and the regulations and guidance promulgated thereunder.

Section 6.04

Modification or Revocation of Election by Participant. Subject to the provisions of this section and Section 6.05, all Deferrals hereunder are irrevocable. A Participant may not increase the amount of his or her Deferrals during a Plan Year. Elections to increase Deferrals of future Eligible Compensation must be made between November 15 and December 15 of any year to be effective on January 1 of the next Plan Year. A Participant may discontinue future Deferrals during any Plan Year under the Plan by completing and submitting a revised Participation Agreement or Director's Deferral Election Form, as the case may be. If such election is made on

or before the 15th day of any calendar month, discontinuance shall take effect as of the first day of the following month. If such election is made after the 15th day of any calendar month, discontinuance shall take effect as of the first day of the second month following such election. If a Participant discontinues a Base Salary and Commission Deferral during a Plan Year, he will not be permitted to again elect to make any Base Salary and Commission Deferrals under the Plan until the beginning of the next Plan Year following the Plan Year in which such discontinuance was made.

In accordance with Internal Revenue Service Notice 2005-1, a Participant may cancel his election to defer any amounts earned during the 2005 calendar year by completing and submitting a Participation Agreement pursuant to procedures established by the Administrative Committee on or before December 31, 2005. Any amounts subject to such cancellation notification shall be includible in the Participant's income for the calendar year 2005 for any compensation that is not a bonus deferral and in calendar year 2006 for any bonus deferral earned in 2005 but otherwise payable in 2006.

Section 6.05

Redeferral Election. Notwithstanding the foregoing, a Participant may extend the Deferral Period, elect another form of payment and/or, subject to Sections 6.02(c) and (d), change the number of annual installments (as long as such change does not result in an acceleration of payments as determined by the Administrative Committee), for previous years' Deferrals and Matching Contributions, provided that an amended Participation Agreement or Director's Deferral Election Form, as the case may be, is completed and submitted at least twelve (12) months before the initial Deferral Period (as in effect before such amendment) ends. A Participant may make only one such redeferral election with respect to each Deferral Period elected by a Participant, and the revised distribution date may be no less than five (5) full calendar years from the date such payment otherwise would have been paid. Under no circumstances may a Participant's Participation Agreement or Director's Deferral Election Form be made, modified or revoked retroactively, nor may a Deferral Period be shortened or reduced.

Section 6.06

Vesting of Deferral and Matching Contribution Accounts. A Participant shall be 100% vested at all times in his or her Deferrals and any accretions thereto by application of the designated Hypothetical Investment Benchmark or Share Units, and shall vest as to Matching Contributions, if any, in increments of 20% per year during the first five (5) years of service with the Company, commencing with a Participant's date of hire by the Company. All Matching Contributions, if any, shall become fully vested upon a Participant's Termination of Employment due to the Participant's death, Disability or Retirement.

For purposes of determining a Transferred Participant's vested status, such Participant shall be credited with any vesting service under the Prior Plan.

ARTICLE VII
MAINTENANCE AND INVESTMENT OF ACCOUNTS

Section 7.01

Deferral Accounts. A Participant's Deferrals hereunder shall be credited by the Administrative Committee to the Participant's Deferral Account, as the case may be, on or before the 15th business day following the date on which the Participant's Eligible Compensation would otherwise have been paid to the Participant had it not been deferred. All amounts credited to a Participant's Deferral Account will be treated as a reduction of Eligible Compensation otherwise payable to such Participant. Distributions and withdrawals pursuant to Article VIII shall be debited against a Participant's Deferral Account.

Section 7.02

Matching Contribution Accounts. The Company's Matching Contributions made on behalf of a Participant shall be credited to the Participant's Matching Contribution Account in accordance with procedures established by the Administrative Committee.

Section 7.03

Maintenance of Accounts. Separate Deferral and Matching Contribution Accounts shall be maintained for each Participant, and more than one Deferral and Matching Contribution Account may be maintained for a Participant, as deemed necessary by the Administrative Committee for administrative purposes. A Participant's Deferral and Matching Contribution Accounts shall be utilized solely as a device for the measurement and determination of the amounts to be paid to the Participant pursuant to this Plan, and shall not constitute or be treated as a trust fund of any kind. The Administrative Committee shall determine the balance of each Deferral and Matching Contribution Account, as of each Valuation Date, by adjusting the balance of such Deferral and Matching Contribution Account as of each Valuation Date to reflect changes in the value of the Hypothetical Investment Benchmarks thereof, credits and debits pursuant to this Article VII, and distributions pursuant to Article VIII hereof.

Section 7.04

Valuation of Accounts. The Deferral and Matching Contribution Accounts are bookkeeping accounts, the value of which shall be based upon the performance of Hypothetical Investment Benchmarks designated by the Participant from a group of Hypothetical Investment Benchmarks selected by the Compensation Committee in its sole and absolute discretion. Any and all dividends interest and other distributions paid with respect to a Hypothetical Investment Benchmark will be deemed to be immediately reinvested in such Hypothetical Investment Benchmark. Notwithstanding the foregoing, the terms of this Plan place no obligation upon the Company to invest or to continue to invest any portion of the amounts in the Participant's Deferral and Matching Contribution Accounts, to invest in or to continue to invest in any specific asset, to liquidate any particular investment, or to apply in any specific manner the proceeds from the sale, liquidation, or maturity of any particular investment on a pre-tax basis. It is understood and agreed that the Company assumes no risk of any decrease in the value of any investments or the Participant's Deferral and Matching Contribution Accounts, and the

Company's sole obligations are to maintain the Participant's Deferral and Matching Contribution Accounts and make payments to the Participant as herein provided.

Section 7.05

Hypothetical Investment Benchmarks.

(a) Each Participant shall be entitled to direct the manner in which his or her Deferral and Matching Contribution Accounts will be deemed to be invested, by selecting from among the Hypothetical Investment Benchmarks designated by the Compensation Committee in its sole and absolute discretion from time to time and specified in the Participant Agreement or the Director's Deferral Election Form, as the case may be, in accordance with such rules, regulations and procedures as Compensation Committee may establish from time to time. Notwithstanding anything to the contrary herein, earnings and losses based on a Participant's Hypothetical Investment Benchmarks investment elections shall begin to accrue as of the date such Participant's Deferrals and Matching Contributions are credited to his/her Deferral and Matching Contribution Accounts. A designation of Hypothetical Investment Benchmark shall continue in effect unless and until amended with the submission of a new designation in accordance with Section 7.05(b) herein. Each successive designation of Hypothetical Investment Benchmarks for a Participant's Deferral and Matching Contribution Accounts established in any particular Plan Year may be applicable to either future contributions to or the cumulative balance of a Deferral Account balance, or to both, at the election of the Participant.

(b) Amounts deferred into a Deferral Account or credited to a Matching Contribution Account may be transferred among Hypothetical Investment Benchmarks pursuant to an allocation election which may be made daily. Such allocation election shall be made in accordance with procedures established under the Plan and shall be effective as of the date determined in accordance with such procedures

(c) Credits to a Participant's Deferral and Matching Contribution Accounts in accordance with this Article VII shall continue until the Deferral and Matching Contribution Account balances are paid in full to the Participant or the Participant's Beneficiary; provided, however, the Hypothetical Investment Benchmarks designated for any particular Plan Year following the commencement of payments to a Participant or a Participant's Beneficiary hereunder shall be fixed at the Hypothetical Investment Benchmarks last used immediately prior to the commencement of payments to the Participant or the Participant's Beneficiary under this Plan; and provided further that no credits will be allocated to a Participant's Matching Contribution Account following the date a Participant terminates employment with the Company.

(d) (i) Subject to Section 7.05(d)(v), the Hypothetical Investment Benchmarks available for Deferral and Matching Contribution Accounts from time to time may include a "Clear Channel Communications, Inc. Share Fund," which shall consist of deemed investments in shares of Common Stock. Deferrals that are deemed to be invested in the Clear Channel Communications, Inc. Share Fund shall be converted into Share Units based upon the Fair Market Value of the Common Stock as of the date(s) the Deferrals or Matching Contributions are to be credited to the Participant's Deferral or Matching Contribution Account, as applicable. The portion of any Deferral or Matching Contribution Account that is invested in the Clear

Channel Communications, Inc. Share Fund shall be credited with additional Share Units of Common Stock with respect to cash dividends, if any, paid on the Common Stock as of the payment date of such dividend.

(ii) When a reallocation among Hypothetical Investment Benchmarks or a distribution of all or a portion of a Participant's Deferral or Matching Contribution Account that is invested in the Clear Channel Communications, Inc. Share Fund is to be made, the balance of such Clear Channel Communications, Inc. Share Fund allocation shall be determined by dividing the Fair Market Value of one share of Common Stock on the most recent Valuation Date preceding the date of such reallocation or distribution into the number of Share Units to be reallocated or distributed. Deferral amounts for which the Clear Channel Communications, Inc. Share Fund has been selected as a Hypothetical Investment Benchmark shall be distributed in the form of cash having a value equal to the Deferral or Matching Contribution balance allocated to the Clear Channel Communication, Inc. Share Fund divided by the Fair Market Value of one share of Common Stock on the Valuation Date.

(iii) In the event of a stock dividend, split-up or combination of the Common Stock, merger, consolidation, reorganization, re-capitalization, or other change in the corporate structure or capitalization affecting the Common Stock, such that an adjustment is determined by the Compensation Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan, then the Compensation Committee may make appropriate adjustments to the number of deemed shares of Common Stock credited to any Deferral or Matching Contribution Account. The determination of the Compensation Committee as to such adjustments, if any, shall be binding and conclusive.

(iv) Notwithstanding any other provision of this Plan, the Administrative Committee shall adopt such procedures as it may determine are necessary to ensure that with respect to any Participant who is actually or potentially subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, the crediting of deemed shares to such Participant's Deferral or Matching Contribution Account is not deemed to be a non-exempt purchase for purposes of such Section 16(b), including without limitation requiring that no shares of Common Stock or cash relating to such deemed shares may be distributed for six months after being credited to such Deferral or Matching Contribution Account.

(v) Notwithstanding any other provision of this Plan, to the extent that shares of the Company are received by the Plan in a dividend transaction, the Company stock fund will be maintained as one of the ongoing hypothetical investment funds, but the Clear Channel Communications, Inc. Share Fund shall be held as a wasting investment fund to be sold as directed by Participants within a period expected to last one year from the date of Clear Channel Communications, Inc.'s distribution to its shareholders of all of the outstanding capital stock of the Company.

Section 7.06

Statement of Accounts. The Administrative Committee shall provide periodically to each Participant a statement setting forth the balance of such Participant's Deferral and Matching Contribution Accounts as of the end of the most recently completed accounting period, in such form as the Administrative Committee deems desirable.

ARTICLE VIII
DISTRIBUTIONS AND WITHDRAWALS

Section 8.01

Time and Form of Payment.
(a) Subject to the end of the Deferral Period for each Deferral and Matching Contribution Account, the Company shall pay to the Participant the balance of such Deferral and Matching Contribution Account at the time or times elected by the Participant in the applicable Participation Agreement or Directors' Deferral Election form; provided, however, that if the Participant has elected to receive payments from a Deferral or Matching Contribution Account in a lump sum, the Company shall pay the balance in such Deferral or Matching Contribution Account (determined as of the Valuation Date) in a lump sum in cash, on or about fifteen (15) days after the end of the Deferral Period. If the Participant has elected to receive payments from a Deferral or Matching Contribution Account in installments, the Company shall make annual payments in cash from such Deferral or Matching Contribution Account, each of which shall consist of an amount equal to (i) the balance of such Deferral or Matching Contribution Account as of the Valuation Date preceding the payment date, times (ii) a fraction, the numerator of which is one and the denominator of which is the number of remaining installments (including the installment being paid). The first such installment shall be paid, on or about fifteen (15) days after the end of the Deferral Period and each subsequent installment shall be paid on or about the anniversary of such first payment. Each such installment shall be deemed to be made on a pro rata basis from each of the different Hypothetical Investment Benchmarks for the Deferral or Matching Contribution Account (if there is more than one such Hypothetical Investment Benchmark).

Section 8.02

Retirement. Subject to Section(s) 6.02(d) and 8.01, and Section 8.06 hereof, if a Participant has elected to have the balance of his or her Deferral and Matching Contribution Accounts distributed upon Retirement, the balance of such accounts (determined as of the Valuation Date preceding such Retirement and including any vested Matching Contributions) shall be distributed on or before January 15th of the calendar year following the year of the Participant's Retirement, in equal annual installments or a lump sum as elected by the Participant in the Participation Agreement or Directors' Deferral Election Form.

Section 8.03

Specific Year Distributions. Subject to Sections 8.01, 8.06 and 6.02(d) hereof, if a Participant has elected to defer Specific Year Deferrals under the Plan for a stated number of years, the Specific Year Deferral Account balance of the Participant (determined as of the Valuation Date preceding the end of such Deferral Period) shall be distributed in equal annual installments or a lump sum (as elected by the Participant in the Participant Agreement or Directors' Deferral Election Form) on or before January 15th of the calendar year following the end of the Deferral Period elected in the Participant Agreement or Directors' Deferral Election Form. In the event of the Retirement of a Participant who is then receiving a Specific Year Deferral distribution as provided herein, such installment payments shall continue for such

period of time as originally elected by the Participant in the Participant's Agreement or Directors' Deferral Election Form. In the event of a Participant's Retirement before the commencement of a Specific Year Deferral and Matching Contribution distribution as provided herein, then such Deferral and Matching Contributions shall be paid upon the Retirement of the Participant, in the same form as the Participant has elected for distribution of such Participant's Deferral and Matching Contribution Accounts upon Retirement.

Section 8.04

Termination of Employment Other Than Retirement. Subject to Section 6.02(d) and notwithstanding the provisions of Sections 6.01, 8.01 and 8.02 hereof and any Participation Agreement, in the event of a Participant's Termination of Employment prior to receiving full payment of his or her Deferral and Matching Accounts, the Company shall pay the balance of the Deferral and Matching Accounts, if any, (determined as of the Valuation Date applicable to such event and including any vested Matching Contributions) in a lump sum in cash to the Participant or the Participant's Beneficiary or Beneficiaries (as the case may be) as soon as practicable following the occurrence of such Termination of Employment.

Section 8.05

Death of a Participant Subsequent to Commencement of Distribution Payments. In the event of the death of a Participant subsequent to the commencement of distribution payments hereunder but prior to completion of such payments, the remaining balance, if any, of the Participant's Deferral and Matching Contribution Accounts shall be paid to the Beneficiary in a lump sum as soon as practicable following the Participant's death.

Section 8.06

Distributions to "Covered Employees". If any distribution or withdrawal under the Plan from a Deferral or Matching Contribution Account will result in any portion of the distribution or withdrawal (or any other amount paid by the Company to such Participant during the same Plan Year) not being deductible by reason of Code Section 162(m), then such distribution or withdrawal shall be deferred until the earlier to occur of (a) the calendar year following the Participant's year of Termination of Employment or Retirement or (b) the first calendar year in which such Participant is no longer a "covered employee" as defined by Section 162(m) of the Code.

Section 8.07

Change of Control. In the event of a Change of Control, the terms and conditions of the Plan and any and all Participation Agreements or Directors' Deferral Election Forms shall remain in full force and effect, and shall be binding upon any assigns and any successor in interest to the Company which succeeds to substantially all of its assets and business through the Change of Control.

Section 8.08

Hardship Withdrawals while Employed by the Company. A Participant who has an unforeseeable emergency, as determined by the Administrative Committee, may withdraw from his Deferral Account an amount not to exceed the lesser of:

(a) the then value of his vested Deferral Account balance as of the Valuation Date coincident with or immediately preceding the withdrawal, or

(b) such lesser amount determined by the Administrative Committee under standards established by the Administrative Committee.

For purposes of this Section 8.08, "unforeseeable emergency" means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code Section 152(a)) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. A withdrawal based on an unforeseeable emergency pursuant to this Section 8.08 shall not exceed the amounts necessary to satisfy such emergency, plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution after taking into account the extent to which such unforeseeable emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship). The determination of the existence of a Participant's unforeseeable emergency and the amount required to be distributed to meet the need created by the unforeseeable emergency shall be made by the Administrative Committee.

ARTICLE IX
BENEFICIARY DESIGNATION

Section 9.01

Beneficiary Designation. Each Participant shall designate a Beneficiary to receive benefits under the Plan. A Beneficiary designation shall be made by the Participant by filing a designation with the Administrative Committee, in such form and in accordance with such procedures as the Administrative Committee shall establish from time to time. If more than one Beneficiary is designated, the share and/or precedence of each Beneficiary shall be indicated. A Participant shall have the right to change the Beneficiary designation at any time by submitting a new designation to the Administrative Committee.

Section 9.02

Proper Beneficiary. If the Administrative Committee has any doubt as to the proper Beneficiary to receive payments hereunder, the Administrative Committee shall have the right to withhold such payments until the matter is finally adjudicated by a court of competent jurisdiction. However, any payments made by the Administrative Committee, in good faith and in accordance with this Plan, shall fully discharge the Company from all further obligations with respect to that payment.

Section 9.03

Minor or Incompetent Beneficiary. In making any payments to or for the benefit of any minor or an incompetent Beneficiary, the Administrative Committee, in its sole and absolute discretion, may make a distribution to a legal or natural guardian or other relative of a minor or court appointed committee of such incompetent. Alternatively, it may make a payment to any adult with whom the minor or incompetent temporarily or permanently resides. The receipt by a guardian, committee, relative or other person shall be a complete discharge to the Company. Neither the Company nor the Committee shall have any responsibility to see to the proper application of any payments so made.

Section 9.04

No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided in Section 9.01, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits hereunder, then the Participant's designated Beneficiary shall be deemed to be the Participant's estate.

ARTICLE X
AMENDMENT AND TERMINATION OF PLAN

Section 10.01

Amendment. The Board reserves the right to amend this Plan from time to time in whole or in part; provided, however, that no such amendment may reduce, or relieve the Company of any obligation with respect to the balance of any Deferral and Matching Contribution Accounts maintained under this Plan as accrued at the time of such amendment, nor shall any amendment otherwise have a retroactive effect, without the written consent of the affected Participant or Beneficiary, as the case may be.

Notwithstanding the preceding sentence, the Retirement Benefits Committee appointed to administer the qualified plans of the Company, or the duly appointed delegate of such committee, may approve amendments to the Plan, with or without prior approval or subsequent ratification by the Board of Directors, if the amendment:

(a) does not significantly change the benefits provided under the Plan (except as required for compliance with Code Section 409A and any regulations or guidance promulgated thereunder and for compliance with any other change in the applicable law); and

(b) does not significantly increase costs of the Plan.

Section 10.02

After a Change of Control. After a Change of Control, the Company may amend this Plan solely for the purpose of ceasing Deferrals of Eligible Compensation following the Change of Control.

Section 10.03

Company's Right to Terminate. The Board may at any time terminate the Plan with respect to future Participation Agreements or Directors' Deferral Election Forms. The Board may also terminate the Plan in its entirety at any time for any reason, including without limitation if, in its judgment, the continuance of the Plan, the tax, accounting, or other effects thereof, or potential payments thereunder would not be in the best interests of the Company. The termination of the Plan and distribution of vested account balances thereunder shall be subject to the following:

(i) The Board also terminates any other arrangement sponsored by the Company and any related employer which are required to be aggregated with this Plan under Code Section 409A (and the regulations and guidance promulgated thereunder) for plan termination purposes;

(ii) No payments other than payments that would be payable under the terms of the Plan and arrangements if the termination had not occurred are made within 12 months of the termination of the arrangements; and

(iii) All payments are made within 24 months of the termination of the arrangements.

In the event of such termination, neither the Company nor any related employer shall adopt a new arrangement that would be aggregated with any terminated arrangement under Code Section 409A (and the regulations and guidance promulgated thereunder) if the same Participant participated in both arrangements at any time within five years following the date of termination of such arrangement.

ARTICLE XI
NATURE OF COMPANY'S OBLIGATION

Section 11.01

Company's Obligation. The Company's obligations under this Plan shall be an unfunded and unsecured promise to pay. The Company shall not be obligated under any circumstances to fund its financial obligations under this Plan.

Section 11.02

Rabbi Trust. In order to meet its contingent obligations hereunder, the Company may, in its sole and absolute discretion, set aside or earmark funds in an amount, determined by the Compensation Committee, equal to the total amounts necessary to provide benefits under the Plan. The Compensation Committee may, at is discretion, direct the Company to establish one or more grantor trusts to provide for the ultimate payment of the Company's obligations under this Plan, but the trust instrument for any such trust must specifically provide that its assets are subject to the claims of the Company's creditors.

Section 11.03

Creditor Status. Any assets which the Company may acquire or set aside to help cover its financial liabilities are and must remain general assets of the Company subject to the claims of its creditors. Neither the Company nor this Plan gives a Participant or Beneficiary any beneficial ownership interest in any asset of the Company. In the event that the Company elects to invest funds to pay the Deferral and Matching Contribution Account balances under the terms of this Plan, title to and beneficial ownership of such assets shall at all times remain with the Company. No Participant or Beneficiary shall have any property interest in any specific assets of the Company; such assets shall at all times remain subject to the claims of the Company's general creditors. With respect to their account balances under the Plan, Participants and Beneficiaries shall be unsecured general creditors of the Company.

ARTICLE XII
MISCELLANEOUS

Section 12.01

Nonassignability. Except as specifically set forth in the Plan with respect to the designation of Beneficiaries, neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

Section 12.02

Validity and Severability. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction, shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 12.03

Governing Law. The validity, interpretation, construction and performance of this Plan shall in all respects be governed by the laws of the State of Texas, without reference to principles of conflict of law, except to the extent preempted by federal law.

Section 12.04

Employment Status. This Plan does not constitute a contract of employment or impose on the Participant or the Company any obligation for the Participant to remain an Employee of the Company or change the status of the Participant's employment or the policies of the Company and its affiliates regarding termination of employment.

Section 12.05

Underlying Bonus Programs. Nothing in this Plan shall prevent the Company from modifying, amending or terminating the compensation or the bonus programs pursuant to which cash awards are earned and which are deferred under this Plan.

Section 12.06

Right to Offset. Any amount owed to the Company by a Participant of whatever nature may be offset by the Company from the value of any benefit otherwise payable hereunder, and no benefit hereunder will be distributed to the Participant unless and until all disputes between the Company and the Participant have been fully and finally resolved and the Participant has waived all claims against the Company in a manner that is acceptable to the Committee in its sole and unrestricted discretion.

Section 12.07

Facility of Payment. If a Participant or Beneficiary is declared an incompetent or is a minor or a conservator, guardian, or other person legally charged with his or her care has been appointed, any benefits to which such Participant or Beneficiary is entitled will be payable to such conservator, guardian, or other person legally charged with his or her care. The decision of the Compensation Committee in such matters will be final, binding and conclusive upon the Company and upon each Participant, Beneficiary and every other person or party interested or concerned. The Company and the Compensation Committee will not be under any duty to see to the proper application of such payments.

Section 12.08

Merger. This Plan shall be binding and enforceable with respect to the obligation of the Company against the Company and any successor to the Company by operation of law or by express assumption of the Plan, and such successor will be substituted hereunder for the Company. This Plan shall be binding upon a Participant or Beneficiary and their heirs, executors and administrators.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized designee on this 31st day of October, 2005, effective as of November 1, 2005.

On Behalf of SFX Entertainment, Inc. d/b/a Clear Channel Entertainment.

By /s/ Judy K. Meuher

Title: Director of Retirement Benefits

Exhibit 10.6

CERTIFICATE OF INCORPORATION

OF

CCE HOLDCO #2, INC.

ARTICLE I
NAME

The name of the corporation (which is hereinafter referred to as the "**Corporation**") is:

CCE Holdco #2, Inc.

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III
PURPOSE

The purpose of the Corporation shall be to engage in any lawful act or activity for which corporations may be organized and incorporated under the General Corporation Law of the State of Delaware.

ARTICLE IV
CAPITAL STOCK

SECTION 1. Authorized Capital Stock. The Corporation shall be authorized to issue 12,000,000 shares of capital stock, of which (a) 10,000,000 shares shall be shares of Common Stock, par value $.01 per share (the "**Common Stock**"), and (b) 2,000,000 shares shall be shares of Preferred Stock, par value $.01 per share (the "**Preferred Stock**"). Shares of Preferred Stock may be issued from time to time in one or more series.

SECTION 2. Series A Preferred and Series B Preferred. Out of the 2,000,000 shares of Preferred Stock authorized by SECTION 1 of this ARTICLE IV, there is hereby created a series of 200,000 shares of Preferred Stock to be designated "Series A Redeemable Preferred Stock" (the "**Series A Preferred**") and there is hereby created a series of 200,000 shares of Preferred Stock to be designated "Series B Redeemable Preferred Stock" (the "**Series B Preferred**"). The voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations and restrictions, of the Series A Preferred and the Series B Preferred, respectively, are as follows:

(a) Rank. The Series A Preferred and the Series B Preferred shall rank on a parity with one another with respect to dividend rights and rights upon Liquidation and, except as otherwise provided in this SECTION 2, the Series A Preferred and the Series B Preferred shall rank on a parity with one another in all other respects. The Series A Preferred and the Series B Preferred (sometimes collectively referred to as the "**Designated Preferred**") shall, with respect to dividend rights and rights upon Liquidation, rank: (i) senior to the Common Stock and each other class or series of capital stock of the Corporation or series of Preferred Stock established after the date of this Certificate of Incorporation and issued in accordance with the terms of this ARTICLE IV, the terms of which do not expressly provide that it ranks senior to or on parity with the Designated Preferred as to dividend rights and rights upon Liquidation (collectively referred to as "**Junior Securities**"); (ii) on a parity with each other class or series of capital stock of the Corporation or series of Preferred Stock established after the date of this Certificate of Incorporation and issued in accordance with the terms of this ARTICLE IV, the terms of which expressly provide that such class or series shall rank on a parity with the Designated Preferred as to dividend rights and rights upon Liquidation (collectively referred to as "**Parity Securities**"); and (iii) junior to each other class or series of capital stock of the Corporation or series of Preferred Stock established after the date of this Certificate of Incorporation and issued in accordance with the terms of this ARTICLE IV, the terms of which expressly provide that such class or series shall rank senior to the Designated Preferred as to dividend rights and amounts payable upon Liquidation (collectively referred to as "**Senior Securities**").

(b) Dividends.

(i) Dividend Rate. Dividends in respect of each outstanding share of Designated Preferred ("**Designated Preferred Dividends**") shall accrue on a daily basis from the date of issuance at an annual rate equal to the Dividend Rate (as defined below) multiplied by the sum of (A) $100 (as it may be adjusted with respect to each series of Designated Preferred pursuant to SECTION 2(j) of this ARTICLE IV, the "**Stated Liquidation Preference**") plus (B) the amount of all Designated Preferred Dividends and Designated Preferred Penalty Dividends (as defined below), if any, that have accrued with respect to such share after the issuance of such share and on or prior to the immediately preceding Dividend Payment Date (as defined below), less the amount of all Designated Preferred Dividends and Designated Preferred Penalty Dividends paid with respect to such share since the issuance of such share (collectively, "**Accumulated Dividends**"). The "**Dividend Rate**" shall be 13% per annum, except that the "**Dividend Rate**" shall be 15.5% per annum with respect to each day on which a Default occurs or a Default has occurred and is continuing. If a Triggering Event occurs during any Dividend Period (as defined below) then additional dividends in respect of each outstanding share of Designated Preferred ("**Designated Preferred Penalty Dividends**") shall accrue from the beginning of such Dividend Period at the applicable annual penalty dividend rates set forth in the following table:

Leverage Ratio	Annual Penalty Dividend Rate
Greater than 4.0 to 1.0 but less than or equal to 5.0 to 1.0	2%
Greater than 5.0 to 1.0 but less than or equal to 6.0 to 1.0	5%
Greater than 6.0 to 1.0	7%

Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(ii) Payment Dates. Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, are payable on the last day of March, June, September and December of each year (each of such dates being a "**Dividend Payment Date**" and each such quarterly period being a "**Dividend Period**") beginning on March 31, 2006. If any Dividend Payment Date is not a business day, Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, shall be payable on the next succeeding business day. Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, payable on any Dividend Payment Date shall be payable to holders of record as they appear in the Corporation's stock records at the close of business on March 15, June 15, September 15 and December 15 immediately preceding the Dividend Payment Date. Accumulated Dividends for any Dividend Period not paid on the regular Dividend Payment Date may be declared and paid at any time, without reference to any Dividend Payment Date, to the holders of record of the Designated Preferred as they appear on the Corporation's stock register at the close of business on the record date as shall be fixed by the Board of Directors, which record date shall be not more than 60 days or less than 10 days prior to the payment date.

(iii) Accrual and Accumulation of Dividends. Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, shall accrue whether or not the Corporation has earnings or profits, whether or not there are funds legally available for the payment of such dividends and whether or not dividends are declared. Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, shall be cumulative such that any Designated Preferred Dividends or Designated Preferred Penalty Dividends accrued but not paid on any Dividend Payment Date shall accumulate until paid and shall accrue additional dividends to and including the date of payment thereof at the Dividend Rate and giving effect to any Designated Preferred Penalty Dividend then in effect, compounded quarterly on each subsequent Dividend Payment Date. Each payment of Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, shall be credited first against the Accumulated Dividends with respect to the earliest Dividend Period for which dividends have not been paid in full.

(iv) Form of Payment. All Designated Preferred Dividends and Designated Preferred Penalty Dividends, if any, declared by the Board of Directors and paid by the Corporation shall be payable in cash.

(v) Restriction on Dividend Payments. No dividend whatsoever shall be declared or paid upon, or any sum set apart for the payment of dividends upon, any outstanding share of Designated Preferred with respect to any Dividend Period unless all dividends for all preceding Dividend Periods have been declared and paid upon, or declared and a sufficient sum set apart for the payment of such dividends upon, all outstanding shares of Designated Preferred. Unless all Accumulated Dividends on all outstanding Designated Preferred shall have been declared and paid, or declared and a sufficient sum for the payment thereof set apart, then: (A) no dividend or distribution (other than a dividend or distribution payable solely in shares of, or options, warrants or rights to subscribe for or purchase shares of, any Junior Securities) shall be declared or paid upon, or any sum set apart for the payment of any dividends or distributions upon, any shares of Junior Securities or Parity Securities, except dividends paid ratably on the Series A Preferred and Series B Preferred and all such Parity Securities on which dividends are accrued, accumulated and unpaid in proportion to the total amounts to which holders of all such shares are then entitled; (B) no shares of Junior Securities or Parity Securities shall be purchased, redeemed or otherwise acquired or retired for value (excluding an exchange for shares of Junior Securities) by the Corporation or any of its Subsidiaries, except for purchases, redemptions or other acquisitions or retirements for value paid ratably on the Series A Preferred and Series B Preferred and all such Parity Securities; and (C) no monies shall be paid into or set apart or made available for a sinking or other like fund for the purchase, redemption or other acquisition or retirement for value of any shares of Junior Securities by the Corporation or any of its Subsidiaries; provided, however, that the foregoing limitations shall not apply with respect to Junior Securities if at the date of each such dividend, distribution, purchase, redemption, acquisition, retiring for value, payment, setting apart or making available, full cumulative dividends determined in accordance herewith on the Designated Preferred have been paid in full for all dividend periods ended prior to the date of such event and such event is otherwise permitted by SECTION 2(g)(xvii) of this ARTICLE IV.

(c) Liquidation.

(i) Liquidation Preference. In the event of any Liquidation, before any payment or distribution of the Corporation's assets (whether capital or surplus), or proceeds thereof, is made to, or set apart for, the holders of Junior Securities, holders of Designated Preferred shall be entitled to receive in respect of each share of Designated Preferred payment out of the Corporation's assets, or the proceeds thereof, available for distribution of an amount equal to the sum of (A) the Stated Liquidation Preference, (B) any Accumulated Dividends accrued with respect to such share and (C) any dividends accrued during the current Dividend Period to, but not including, the date of final distribution with respect to such share. If, upon any Liquidation, the Corporation's assets, or proceeds thereof, are

insufficient to pay, in full, the Stated Liquidation Preference and the other liquidating payments to which the holders of any Parity Securities are entitled, then such assets, or the proceeds thereof, shall be distributed among the holders of Designated Preferred and such Parity Securities ratably in proportion to the respective amounts that would be payable on such shares of Designated Preferred and any such Parity Securities if all amounts payable thereon were paid in full.

(ii) No Further Participation. After payment of the full amount of the sum of (A) the Stated Liquidation Preference, (B) any Accumulated Dividends accrued with respect to such share and (C) any dividends accrued during the current Dividend Period to, but not including, the date of final distribution with respect to such share, to which the holders of shares of Designated Preferred are entitled, the holders of the Designated Preferred shall have no further right or claim to any of the Corporation's remaining assets, or the proceeds thereof.

(d) Redemption.

(i) Mandatory Redemption. On December 21, 2011 (the "**Mandatory Redemption Date**"), the Corporation shall redeem all of the outstanding shares of Designated Preferred, in cash, at a redemption price, calculated as of such date, equal to the sum of (A) the Stated Liquidation Preference, (B) any Accumulated Dividends accrued with respect to such share and (C) any dividends accrued during the current Dividend Period to, but not including, the date of final distribution with respect to such share. If the Corporation does not have sufficient funds or is not permitted under applicable law to redeem all of the outstanding shares of Designated Preferred on the Mandatory Redemption Date, the Corporation shall use all legally available funds to effect such redemption with respect to the maximum number of shares of Designated Preferred. The Corporation shall allocate the shares of Designated Preferred to be redeemed ratably between the Series A Preferred and the Series B Preferred in proportion to the number of shares of each such series then outstanding. The Corporation shall allocate the shares of Series A Preferred and Series B Preferred to be redeemed ratably among the holders of the outstanding shares of each such series in proportion to the number of such shares then held by each holder. The shares of Designated Preferred not redeemed shall remain outstanding and entitled to all of the rights and preferences provided herein. Subject to the other provisions hereof, the Corporation shall redeem the balance of the shares of Designated Preferred on the first date thereafter on which the Corporation may legally do so (subject to the allocation provisions set forth above with respect to any further redemption in part).

(ii) Notice of Redemption. The Corporation shall give notice of the mandatory redemption of Designated Preferred to each holder of record of Designated Preferred not less than 30 days nor more than 60 days before the redemption date; provided that neither the failure to give such notice nor any defect therein shall affect the validity of the procedure for the redemption of any shares of Designated Preferred to be redeemed except as to any holder to whom

the Corporation has failed to give said notice or whose notice was defective. The notice of mandatory redemption shall state: (A) the redemption date; (B) the redemption price; (C) if less than all Designated Preferred are to be redeemed, the aggregate number of shares of Designated Preferred to be redeemed and the number of shares held by the addressee of such notice to be redeemed; (D) the place or places where certificates evidencing shares of Designated Preferred to be redeemed are to be surrendered for payment of the redemption price; and (E) that, on the redemption date, the redemption price shall become due and payable upon each such share of Designated Preferred to be redeemed and that dividends on the shares of Designated Preferred to be redeemed shall cease to accrue on such redemption date. Such notice shall be given by first class mail, postage prepaid, mailed to each holder of record of Designated Preferred at such holder's address as the same appears on the Corporation's stock register. Upon surrender of the certificates for shares of Designated Preferred so redeemed, in accordance with the notice of mandatory redemption, such shares of Designated Preferred shall be redeemed by the Corporation at the redemption price aforesaid. If fewer than the total number of shares of Series A Preferred or Series B Preferred represented by a certificate are redeemed, the Corporation shall issue and deliver to the holder a new certificate representing the number of unredeemed shares of Series A Preferred or Series B Preferred, as the case may be.

(iii) Redemption Price. Prior to any redemption date, the Corporation shall segregate and hold in trust an amount sufficient to pay the redemption price of all share of Designated Preferred to be redeemed on that date.

(iv) No Rights in Respect of Redeemed Shares. From and after the redemption date (unless the Corporation defaults in the payment in full of the redemption price of the shares called for redemption), dividends on the shares of Designated Preferred so called for redemption shall cease to accrue, and all rights of the holders thereof, as holders of such shares of Designated Preferred (except the right to receive from the Corporation the redemption price), shall cease.

(v) Restrictions After Failure to Effect Full Redemption. If and for so long as the Corporation fails to redeem, for any reason, all of the outstanding shares of Designated Preferred pursuant to this SECTION 2(d), the Corporation shall not, directly or indirectly, (A) redeem or otherwise acquire any Parity Securities or discharge any mandatory or optional redemption, sinking fund or other similar obligation in respect of any Parity Securities (except in connection with a redemption, sinking fund or other similar obligation in which shares of Designated Preferred receive a pro rata share) or (B) declare or make any distribution on Junior Securities, or redeem or otherwise acquire any Junior Securities, or discharge any mandatory or optional redemption, sinking fund or other similar obligation in respect of Junior Securities.

(e) Repurchase Offer Upon Change of Control.

(i) Repurchase Offer. At least 20 days prior to the consummation by the Corporation of any transaction that would result in or constitute a Change of Control, the Corporation shall give notice to each holder of Designated Preferred describing the transaction or transactions that constitute a Change of Control and providing a written offer (the "**Repurchase Offer**") to purchase all of the shares of Designated Preferred held by such holder at a purchase price for such shares equal to 101% of the sum of (A) the Stated Liquidation Preference, (B) any Accumulated Dividends accrued with respect to such share and (C) any dividends accrued during the current Dividend Period to, but not including, the date of final distribution with respect to such share, calculated as of the day on which such purchase is consummated (such amount, the "**Repurchase Price**"). The Repurchase Offer shall be conditioned upon the consummation by the Corporation of the Change of Control but shall otherwise be irrevocable.

(ii) Compliance with Securities Laws. The Corporation shall comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of Designated Preferred as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the any of the provisions of this SECTION 2(e), the Corporation shall comply with the applicable securities laws and regulations and shall be deemed not to have breached its obligations under this SECTION 2(e) by virtue of such compliance.

(iii) Closing of the Repurchase Offer. Immediately prior to the consummation of the Change of Control, the Corporation shall (A) repurchase all shares of Designated Preferred properly tendered pursuant to the Repurchase Offer, and (B) segregate and hold in trust an amount sufficient to pay the Repurchase Price for all shares of Designated Preferred so tendered. Upon surrender of the certificates for shares of Designated Preferred so tendered (properly endorsed for transfer), free and clear of any restrictions, liens or claims, together with such other instruments of transfer as the Corporation may reasonably request, in accordance with the Repurchase Offer, the Corporation shall promptly deliver to each holder of shares of Designated Preferred so tendered the applicable payment for those shares of Designated Preferred. If fewer than the total number of shares of Series A Preferred or Series B Preferred represented by a certificate are repurchased, the Corporation shall issue and deliver to the holder a new certificate representing the number of unpurchased shares of Series A Preferred or Series B Preferred, as the case may be. The Corporation shall publicly announce the results of its Repurchase Offer on or as soon as practicable after consummation of the Repurchase Offer.

(iv) Third Party Change of Control Offer. The Corporation shall not be required to make a Repurchase Offer upon the occurrence of a Change of Control if a third party makes an offer to purchase the Designated Preferred in the manner,

at the times and otherwise in compliance with the requirements described in this SECTION 2(e) and purchases all shares of Designated Preferred validly tendered and not withdrawn.

(v) Failure to Comply. The Corporation may not consummate any transaction that would result in or constitute a Change of Control unless it has complied in full with its obligations with respect thereto pursuant to this SECTION 2(e).

(f) Voting Rights.

(i) Series A Preferred. In connection with the election of directors, the holders of Series A Preferred shall have such voting rights as shall be set forth in ARTICLE VI. In connection with all matters submitted to a vote or written consent of stockholders of the Corporation, other than the election of directors, for so long as any shares of Series A Preferred are outstanding, every holder of Series A Preferred shall be entitled to the Specified Number of votes, in person or by proxy, for each share of Series A Preferred outstanding in such holder's name on the transfer books of the Corporation on the record date for such vote or written consent of stockholders (or, if no record date is established, at the date such vote is taken or such written consent is first solicited). The holders of Series A Preferred shall vote together with the holders of the Common Stock on all matters upon which holders of Common Stock have the right to vote, other than the election of directors and other than such other matters required by law or this Certificate of Incorporation to be submitted to a class or series vote. Fractional votes shall be permitted, provided that any fractional votes shall be rounded to the nearest one-hundredth of a vote (with five-thousandths being rounded upward). Each holder of shares of Series A Preferred shall be entitled to notice of any stockholders meeting in accordance with the By-Laws of the Corporation.

(ii) Series B Preferred. The holders of shares of Series B Preferred are not entitled to any voting rights except as specifically provided in SECTION 2(f)(iii) of this ARTICLE IV and as provided in ARTICLE VI, or as otherwise required by law.

(iii) Special Designated Preferred Voting Rights. In addition to any other vote required by this Certificate of Incorporation or by law:

(A) other than as set forth in SECTION 2(f)(iii)(D) of this ARTICLE IV or as required by law, for so long as any shares of Series A Preferred are outstanding, the affirmative vote or consent of the holders of a majority of the outstanding shares of Series A Preferred Stock shall be required to adopt, amend, alter or repeal any provision of this Certificate of Incorporation (whether by merger, consolidation or otherwise) so as to adversely affect the preferences, rights or powers of the Series A Preferred Stock; *provided*, *however*, that any such action that changes the dividend payable on, the Stated Liquidation Preference of, the mandatory

redemption feature of, the change of control redemption feature of or the non-call features of, the Series A Preferred Stock shall require the affirmative vote of the holders of 72.5% of the outstanding shares of Series A Preferred Stock at a meeting of holders of Series A Preferred Stock duly called for such purpose or the unanimous written consent of the holders of the Series A Preferred Stock;

(B) other than as set forth in SECTION 2(f)(iii)(D) of this ARTICLE IV or as required by law, for so long as any shares of Series B Preferred are outstanding, the affirmative vote or consent of the holders of a majority of the outstanding shares of Series B Preferred Stock shall be required to adopt, amend, alter or repeal any provision of this Certificate of Incorporation (whether by merger, consolidation or otherwise) so as to adversely affect the preferences, rights or powers of the Series B Preferred Stock; *provided*, *however*, that any such action that changes the dividend payable on, the Stated Liquidation Preference of, the mandatory redemption feature of, the change of control redemption feature of or the non-call features of, the Series B Preferred Stock shall require the affirmative vote of the holders of 72.5% of the outstanding shares of Series B Preferred Stock at a meeting of holders of Series B Preferred Stock duly called for such purpose or the unanimous written consent of the holders of the Series B Preferred Stock;

(C) the affirmative vote or consent of the holders of two-thirds of the outstanding shares of Series A Preferred Stock (if any shares of Series A Preferred are then outstanding) and the holders of two-thirds of the outstanding shares of Series B Preferred Stock (if any shares of Series B Preferred are then outstanding) voting as separate classes shall be required for the Corporation to designate or issue any Senior Securities or Parity Securities or reclassify any other securities into Senior Securities or Parity Securities; and

(D) for so long as any shares of Series A Preferred and Series B Preferred are outstanding, the affirmative vote or consent of the holders of a majority of the outstanding shares of Series A Preferred Stock and Series B Preferred Stock, voting together as a single class, shall be required to adopt, amend, alter or repeal any provision of (1) SECTION 2(g) of ARTICLE IV of this Certificate of Incorporation (whether by merger, consolidation or otherwise) that could reasonably be expected to be material and adverse to the rights of the holders of the Designated Preferred to receive the dividends pursuant to SECTION 2(b) of ARTICLE IV or have their shares redeemed pursuant to SECTION 2(d) of ARTICLE IV, (2) ARTICLE VI or (3) SECTION 3 of ARTICLE X.

(g) Covenants. Nothing in SECTION 2(g) of this ARTICLE IV shall limit the Corporation's powers in ARTICLE III and no act of the Corporation shall be invalid or ultra vires by reason of the fact that the Corporation failed to comply with the covenants

of SECTION 2(g) of this ARTICLE IV. The only consequence of such failure by the Corporation to comply with the covenants of SECTION 2(g) of this ARTICLE IV (other than SECTION 2(g)(iii), (viii), (x)(A)(3), (xii), (xiii), (xvii) and (xviii) of this ARTICLE IV) shall be, upon the passage of time set forth in clause (iv) of the definition of "Event of Default" herein, the occurrence of a Default, with the sole remedies for such Default being the remedies provided in the second sentence of SECTION 2(b)(i) of ARTICLE IV and the proviso contained the first sentence of SECTION 1 of ARTICLE VI, and the holders of the Designated Preferred will not be entitled to specific performance. The consequence of such failure by the Corporation to comply with the covenants of SECTION 2(g)(iii), (viii), (x)(A)(3), (xii), (xiii), (xvii) and (xviii) of this ARTICLE IV shall be, upon the passage of time set forth in clause (iv) of the definition of "Event of Default" herein, the occurrence of a Default, with the remedies for such Default being, in addition to any specific remedies provided for in this Agreement, any other legal or equitable remedy available against the Corporation. Waivers, consents, supplements, amendments and other modifications to SECTION 2(g) of this ARTICLE IV shall be deemed to be consented and agreed to by the holders of Designated Preferred in accordance with the second paragraph of ARTICLE VIII. For so long as any Designated Preferred are outstanding:

(i) Financial Statements and Other Information. The Corporation shall furnish to the holders of the Designated Preferred (other than as set forth in clauses (E) and (I) below):

(A) within 90 days after the end of each fiscal year of CCE Spinco, its audited consolidated balance sheet and related statements of operations, changes in stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of CCE Spinco and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(B) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of CCE Spinco, its unaudited consolidated balance sheet and related statements of operations, changes in stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of CCE Spinco and its consolidated Subsidiaries on a consolidated basis in

accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(C) concurrently with any delivery of financial statements under clause (A) or (B) above, a certificate of a Financial Officer (1) certifying, to the best of such officer's knowledge, as to whether a Default or Triggering Event exists at the end of such fiscal quarter or fiscal year, as applicable, and, if a Default so exists, specifying the details thereof and any action taken or proposed to be taken with respect thereto; (2) setting forth reasonably detailed calculations demonstrating compliance with SECTIONS 2(g) (xxi), (xxii), (xxiii) and (xxiv) of this ARTICLE IV; (3) setting forth reasonably detailed calculations demonstrating Consolidated Tangible Assets as of the date of such financial statements; and (4) stating whether any change in GAAP or in the application thereof has occurred since the date of CCE Spinco's most recent audited financial statements and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(D) concurrently with any delivery of financial statements under clause (A) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default or Triggering Event (which certificate may be limited to the extent required by accounting rules or guidelines);

(E) at the request of holders of Designated Preferred owning Designated Preferred then having a liquidation preference calculated pursuant to SECTION 2(c)(1) of this ARTICLE IV of at least $7.5 million, at least 45 days prior to the commencement of each fiscal year of CCE Spinco, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of and for each fiscal quarter of such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(F) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by CCE Spinco or any of its Subsidiaries with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by CCE Spinco to its shareholders generally, as the case may be;

(G) within 100 days after the end of each fiscal year of CCE Spinco, the unaudited consolidated balance sheet and related statements of

operations of the Corporation (with consolidating information reconciling in reasonable detail such financial statements with the corresponding financial statements of CCE Spinco), as of the end of and for such year, setting forth in comparative form the figures for the previous fiscal year (provided such figures for the 2004 fiscal year shall not be required for the financial statements to be provided for the fiscal year ended December 31, 2005), all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the Corporation and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(H) within 55 days after the end of each of the first three fiscal quarters of each fiscal year of CCE Spinco, the unaudited consolidated balance sheet and related statements of operations of the Corporation (with consolidating information reconciling in reasonable detail such financial statements with the corresponding financial statements of CCE Spinco), as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the Corporation and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; and

(I) promptly following any request therefor by holders of Designated Preferred owning Designated Preferred then having a liquidation preference calculated pursuant to SECTION 2(c)(1) of this ARTICLE IV of at least $7.5 million, such other information regarding the operations, business affairs and financial condition of CCE Spinco and its Subsidiaries, as a holder of Designated Preferred may reasonably request.

Upon written request of any holder of Series A Preferred or Series B Preferred, the Corporation shall provide to such holder a list of all holders of Designated Preferred within 30 days after such request.

Information required to be delivered pursuant to SECTION 2(g)(i) of this ARTICLE IV shall be deemed to have been furnished and delivered if such information, or one or more annual, quarterly or other reports or filings containing such information, shall have been (1) delivered to each holder of Designated Preferred in electronic format or (2) electronically filed with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, and notice thereof shall have been provided to each holder of Designated Preferred.

(ii) Notices of Material Events. The Corporation shall furnish to the holders of the Designated Preferred prompt written notice of the following:

(A) the occurrence of any Default;

(B) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting CCE Spinco or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(C) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Corporation and its Subsidiaries in an aggregate amount exceeding $10,000,000; and

(D) any other occurrences or events that result in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under SECTION 2(g)(ii) of this ARTICLE IV shall be accompanied by a statement of a Financial Officer setting forth the details of the occurrence or event requiring such notice and any action taken or proposed to be taken with respect thereto.

(iii) Existence; Conduct of Business. The Corporation shall, and shall cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of the business of CCE Spinco and its Subsidiaries, taken as a whole, *provided* that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under SECTION 2(g)(xii) of this ARTICLE IV, or any sale, transfer or other disposition permitted by SECTION 2(g)(xiv) of this ARTICLE IV or any statutory conversion.

(iv) Payment of Obligations. The Corporation shall, and shall cause each of its Subsidiaries to, pay its Indebtedness and other obligations, including tax liabilities, before the same shall become delinquent, except where (A) the validity or amount thereof is being contested in good faith and if necessary to so contest, by appropriate proceedings, (B) the Corporation or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (C) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (D) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

(v) Maintenance of Properties. The Corporation shall, and shall cause each of its Subsidiaries to, keep and maintain all property material to the conduct of the business of CCE Spinco and its Subsidiaries, taken as a whole, in good working order and condition, ordinary wear and tear excepted.

(vi) Insurance. The Corporation shall, and shall cause each of its Subsidiaries to, maintain, with financially sound and reputable insurance companies, insurance in such amounts (with no greater risk retention) and against such risks under similar circumstances as are reasonably determined by the management of CCE Spinco and its Subsidiaries to be sufficient in accordance with usual and customary practices of companies of established repute engaged in the same or similar businesses operating in the same or similar locations, except to the extent reasonable self insurance meeting the same standards is maintained with respect to such risks. The Corporation shall furnish to holders of Designated Preferred, upon request of such holders owning Designated Preferred then having a liquidation preference calculated pursuant to SECTION 2(c)(i) of this ARTICLE IV of at least $15 million and at such holders' expense, information in reasonable detail as to the insurance so maintained.

(vii) Casualty and Condemnation. The Corporation shall furnish to the holders of Designated Preferred prompt written notice of any casualty or other insured damage to any material portion of its properties or assets and the properties or assets of its Subsidiaries, taken as a whole, or the commencement of any action or proceeding for the taking or expropriation of any material portion of its properties or assets and the properties or assets of its Subsidiaries, taken as a whole, under power of eminent domain or by condemnation or similar proceeding.

(viii) Books and Records; Inspection and Audit Rights. The Corporation shall, and shall cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Corporation shall, and shall cause each of its Subsidiaries to, permit any representatives designated by holders of Designated Preferred owning Designated Preferred then having a liquidation preference calculated pursuant to SECTION 2(c)(i) of this ARTICLE IV of at least $15 million, upon reasonable prior notice and during normal business hours, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested, in each case subject to applicable attorney-client privilege exceptions and compliance with non-disclosure and confidentiality agreements between any of CCE Spinco or any of its Subsidiaries and third parties.

(ix) Compliance with Laws. The Corporation shall, and shall cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(x) Indebtedness; Certain Equity Securities.

(A) The Corporation shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(1) Indebtedness created under the Credit Agreement;

(2) Indebtedness existing on the Distribution Date and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof or change the parties directly or indirectly responsible for the payment thereof;

(3) unsecured Indebtedness of the Corporation or any of its Subsidiaries to CCE Spinco or any of its Subsidiaries, *provided* that (x) such Indebtedness shall not have been transferred or pledged to any third party other than under the Credit Agreement, (y) Indebtedness of any Subsidiary to any other Subsidiary shall be subject to SECTION 2(g)(xiii) of this ARTICLE IV and (z) the aggregate principal amount of Indebtedness of the Corporation or any of its Subsidiaries to any direct or indirect parent company of the Corporation permitted by this clause (3) shall not exceed the aggregate amount of proceeds raised by debt and equity financings of such parent companies and such Indebtedness shall have terms no less favorable than those that could otherwise be obtainable on an arms' length basis;

(4) Indebtedness of the Corporation or any of its Subsidiaries incurred to finance the acquisition, construction, development, enlargement, repair or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof or change the parties directly or indirectly responsible for the payment thereof, *provided* that (x) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction, development, enlargement, repair or improvement and (y) the aggregate principal amount of Indebtedness permitted by this clause (4) of SECTION 2(g)(x)(A) of this ARTICLE IV shall not exceed the US Dollar Equivalent (as such term is defined in the

Credit Agreement as in effect on the Distribution Date) of $10,000,000 million at any time outstanding;

(5) Indebtedness of any Person that becomes a Subsidiary of the Corporation after the Distribution Date and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof or change the parties directly or indirectly responsible for the payment thereof, *provided* that (x) such Indebtedness exists at the time such Person becomes a Subsidiary of the Corporation and is not created in contemplation of or in connection with such Person becoming a Subsidiary of the Corporation and (y) the aggregate principal amount of Indebtedness permitted by this clause (5) of SECTION 2(g)(x)(A) of this ARTICLE IV shall not exceed the US Dollar Equivalent of $10,000,000 at any time outstanding;

(6) Permitted Subordinated Indebtedness provided that immediately before and after giving pro forma effect to the incurrence of such Permitted Subordinated Indebtedness, no Default shall have occurred and be continuing (including any Default under SECTION 2(g)(xxi), (xxii), (xxiii) or (xxiv) of this ARTICLE IV);

(7) Indebtedness with respect to Swap Agreements that are permitted to be entered into under SECTION 2(g)(xvi) of this ARTICLE IV;

(8) Indebtedness of Foreign Subsidiaries denominated in any currency (exclusive of Indebtedness incurred hereunder) in an aggregate principal amount not exceeding the US Dollar Equivalent of $75,000,000 at any time outstanding;

(9) advances and deposits received by the Corporation or its Subsidiaries in the ordinary course of business and Guarantees by the Corporation or any other Subsidiary thereof; and

(10) other Indebtedness of the Corporation or any of its Subsidiaries not permitted by any other clause of SECTION 2(g)(x)(A) of this ARTICLE IV in an aggregate principal amount not exceeding the US Dollar Equivalent of $50,000,000 at any time outstanding, *provided* that immediately before and after giving pro forma effect to the incurrence of such Indebtedness, no Default shall have occurred and be continuing (including any Default under SECTION 2(g)(xxi), (xxii), (xxiii) or (xxiv) of this ARTICLE IV).

(B) The Corporation shall not, and shall not permit any of its Subsidiaries to, issue any preferred stock or other preferred Equity Interests, other than the Designated Preferred.

(xi) Liens. The Corporation shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or, except as permitted under SECTION 2(g)(xiv) of this ARTICLE IV, assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(1) Liens created under the Credit Agreement;

(2) Permitted Encumbrances;

(3) any Lien on any property or asset of the Corporation or any of its Subsidiaries existing on the Distribution Date, *provided* that (x) such Lien shall not apply to any other property or asset of the Corporation or any of its Subsidiaries other than proceeds from, and after-acquired property in respect of, the property or assets subject to such Lien, in each case to the extent required under the terms of the document or instrument creating such Lien as in effect on the Distribution Date, and (y) such Lien shall secure only those obligations which it secures on the Distribution Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(4) any Lien existing on any property or asset prior to the acquisition thereof by the Corporation or any of its Subsidiaries or existing on any property or asset of any Person that becomes a Subsidiary of the Corporation after the Distribution Date prior to the time such Person becomes such a Subsidiary, *provided* that (x) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming such a Subsidiary, as the case may be, (y) such Lien shall not apply to any other property or assets of the Corporation or any of its Subsidiaries other than proceeds from, and after-acquired property in respect of, the property or assets subject to such Lien, in each case to the extent required under the terms of the document or instrument creating such Lien as in effect on the date of the applicable acquisition, and (z) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary of the Corporation, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(5) Liens on fixed or capital assets acquired, constructed, developed, enlarged, repaired or improved by the Corporation or any of its Subsidiaries, *provided* that (w) such Liens secure Indebtedness permitted by SECTION 2(g)(x)(A)(4) of this ARTICLE IV, (x) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction, development, enlargement, repair or improvement, provided that such Liens may also secure extensions, renewals and replacements of such Indebtedness to the extent such extensions, renewals and replacements are permitted under SECTION 2(g)(x)(A) of this ARTICLE IV, (y) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing, developing, enlarging, repairing or improving such fixed or capital assets and (z) such Liens shall not apply to any other property or assets of the Corporation or any of its Subsidiaries other than proceeds from, and after-acquired property in respect of, the property or assets subject to such Lien, in each case to the extent required under the terms of the document or instrument creating such Lien as in effect on the date such Lien is created; and

(6) Liens (other than Liens on collateral under the Credit Agreement or on any real property or interests in real property of the Corporation or any of its Subsidiaries) that are not permitted by any other clause of SECTION 2(g)(xi) of this ARTICLE IV, *provided* that the aggregate amount of all Liens permitted under this clause (6) (measured, as to each such Lien, as the greater of the amount secured by such Lien and the fair market value at the time of the creation of such Lien of the assets subject to such Lien) shall not exceed the US Dollar Equivalent of $25,000,000.

(xii) Fundamental Changes.

(A) The Corporation shall not, and shall not permit any of its Subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving pro forma effect thereto no Default shall have occurred and be continuing (1) any Person may merge into the Corporation in a transaction in which the Corporation is the surviving corporation, (2) any Person other than the Corporation may merge into any Subsidiary (a) in a transaction in which the surviving entity is a Subsidiary and (b) in connection with a sale or other disposition of a Subsidiary permitted under SECTION 2(g)(xiv) of ARTICLE IV that results in such Person ceasing to be a Subsidiary, and (3) any Subsidiary may liquidate or dissolve if (x) the Corporation determines in good faith that such liquidation or dissolution is in the best

interests of the Corporation and its other Subsidiaries and is not materially disadvantageous to the holders of the Designated Preferred and (y) after giving pro forma effect thereto, no Default shall have occurred and be continuing, *provided* that any such merger involving a Person that is not a wholly owned Subsidiary of the Corporation immediately prior to such merger shall not be permitted unless also permitted by SECTION 2(g)(xiii) of this ARTICLE IV.

(B) The Corporation shall not, and shall not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Corporation and its Subsidiaries on the Distribution Date and businesses reasonably related thereto.

(C) The Corporation shall not engage in any business or activity other than the ownership of all the outstanding Equity Interests of SFX Entertainment and activities incidental thereto. The Corporation shall not own or acquire any assets (other than Equity Interests of SFX Entertainment, cash and Permitted Investments) or incur any liabilities (other than liabilities under the Credit Agreement, liabilities imposed by law, including tax liabilities, and other liabilities incidental to its existence and permitted business and activities).

(xiii) Investments, Loans, Advances, Guarantees and Acquisitions. The Corporation shall not, and shall not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary of the Corporation prior to such merger) any Equity Interests in or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of related transactions) any assets of any other Person constituting a business unit, line of business or division of a Person except:

(A) Permitted Investments;

(B) investments existing on the Distribution Date;

(C) investments by the Corporation and its Subsidiaries in Equity Interests in any Subsidiary of the Corporation;

(D) (1) loans or advances made by the Corporation to any Subsidiary of the Corporation and; (2) loans or advances made by the Corporation or any Subsidiary of the Corporation to CCE Spinco or any of its Subsidiaries, provided the aggregate amount of loans or advances made pursuant to this clause (D)(2) shall not exceed the amounts permitted by SECTION 2(g)(xvii) of this ARTICLE IV and any amount loaned or

advanced shall be considered to be Restricted Payments for purposes of calculating Restricted Payments under SECTION 2(g)(xvii) of this ARTICLE IV;

(E) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(F) purchases or other acquisitions of property and assets or businesses of any Person or of assets constituting a business unit, a line of business or division of such Person, or Equity Interests in a Person that, upon the consummation thereof, shall be a direct or indirect Subsidiary of SFX Entertainment (including as a result of a merger or consolidation), *provided* that with respect to each purchase or other acquisition made pursuant to SECTION 2(g)(xiii)(F) of this ARTICLE IV (each, a "**Permitted Acquisition**"):

(1) the acquired property, assets, business or Person is in a business of the type conducted by the Corporation and its Subsidiaries on the Distribution Date or a business reasonably related thereto;

(2) immediately before and after giving pro forma effect to such purchase or acquisition, no Default shall have occurred and be continuing (including any Default under SECTION 2(g)(xxi), (xxii), (xxiii) or (xxiv) of this ARTICLE IV);

(3) The Corporation shall have delivered to the holders of Designated Preferred, no later than 5 business days prior to the date on which any such purchase or other acquisition, other than an Excluded Acquisition, is to be consummated and no later than 20 business days following the date on which an Excluded Acquisition is consummated, a certificate of a Financial Officer, certifying that all of the requirements set forth in the immediately preceding clauses (1) and (2) hereof have been satisfied or shall be satisfied on or prior to the consummation of such purchase or other acquisition; and

(4) such purchase or other acquisition shall not have been consummated through or preceded by an unsolicited tender offer;

(G) Permitted Deposits;

(H) any Equity Interest, Indebtedness, securities or assets received as a result of the receipt of non-cash consideration from any asset disposition permitted under SECTION 2(g)(xiv) of this ARTICLE IV;

(I) any Equity Interests, Indebtedness, securities or assets received solely in exchange for common stock of CCE Spinco;

(J) loans and advances to employees, officers and directors that do not exceed the US Dollar Equivalent of $2,000,000 in the aggregate at any time outstanding;

(K) intercompany Indebtedness permitted under SECTION 2(g)(x)(A)(3) of this ARTICLE IV;

(L) investments in joint ventures and Subsidiaries of the Corporation that do not exceed the US Dollar Equivalent of $10,000,000 in the aggregate at any time outstanding;

(M) with respect to each of the fiscal years ended December 31, 2006 and 2007, investments during such fiscal year that, taken together, do not exceed $4,000,000, in each case to the extent and at the times required by, and made in accordance with the terms of the contracts listed as item 1 in Schedule X to each of the Class A Preferred Stock Subscription Agreement dated December 12, 2005, between CCE Spinco and the investors named therein, and the Class B Preferred Stock Purchase Agreement dated December 12, 2005, between Clear Channel and the purchasers named therein;

(N) investments, loans or advances, and purchases and acquisitions resulting in aggregate payments, at any time in an aggregate amount not exceeding the Remaining Excess Cash at such time;

(O) (1) Guarantees by the Corporation and any of its Subsidiaries of obligations that do not constitute Indebtedness, in each case incurred by any Subsidiary in the ordinary course of business and (2) Guarantees permitted under SECTION 2(g)(x)(A)(7) and 2(g)(x)(A)(9) of this ARTICLE IV; and

(P) investments that are not permitted by any other clause of SECTION 2(g)(xiii) of this ARTICLE IV that do not exceed the US Dollar Equivalent of $150,000,000 in the aggregate at any time outstanding, *provided* that immediately after giving pro forma effect to any such investment, no Default shall have occurred and be continuing (including any Default under SECTION 2(g)(xxi), (xxii), (xxiii) or (xxiv) of this ARTICLE IV).

(xiv) Asset Sales. The Corporation shall not, and shall not permit any of its Subsidiaries to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor shall the Corporation permit any of its Subsidiaries to issue any additional Equity Interest in itself (other than to the Corporation or another Subsidiary of the Corporation in compliance with SECTION 2(g)(xiii) of this ARTICLE IV), except:

(A) sales of inventory, non-obsolete, used or surplus equipment and Permitted Investments (including trades or exchanges of Permitted Investments) in the ordinary course of business;

(B) sales, transfers and dispositions to the Corporation or a Subsidiary of the Corporation, *provided* that any such sales, transfers or dispositions shall be made in compliance with SECTION 2(g)(xviii) of this ARTICLE IV;

(C) dispositions of assets in trade or exchange for assets of comparable fair market value used or usable in the business of the Corporation and its Subsidiaries;

(D) a Restricted Payment that is permitted under SECTION 2(g)(xvii) of this ARTICLE IV;

(E) sales or other dispositions of obsolete assets neither used nor useful to any business of the Corporation or any of its Subsidiaries;

(F) any lease or rental of assets entered into in the ordinary course of business and with respect to which the Corporation or any of its Subsidiaries is the lessor and the lessee has no option to purchase such assets for less than fair market value at any time, *provided* that this exception shall not permit the sale of such asset pursuant to such lease or rental;

(G) the disposition of assets received in settlement of debts accrued in the ordinary course of business;

(H) the creation or perfection of a Lien permitted under SECTION 2(g)(xi) of this ARTICLE IV;

(I) the grant in the ordinary course of business of any non-exclusive license of patents, trademarks, registrations therefor and other similar intellectual property;

(J) any disposition of assets pursuant to a condemnation, appropriation or similar taking;

(K) sales and other dispositions, in one transaction or a series of related transactions, of assets and other properties of the Corporation and its Subsidiaries with a fair market value not exceeding the US Dollar Equivalent of $500,000 and made in the ordinary course of business; and

(L) sales, transfers and other dispositions of assets (other than Equity Interests in SFX Entertainment) that are not permitted by any other clause of SECTION 2(g)(xiv) of this ARTICLE IV, *provided* that the aggregate fair market value of all Equity Interests or assets sold,

transferred or otherwise disposed of in reliance upon this clause (L) shall not exceed (x) 10% of Consolidated Tangible Assets during any fiscal year of the Corporation and (y) 25% of Consolidated Tangible Assets for so long as any shares of Series A Preferred or Series B Preferred are outstanding,

provided that all sales, transfers, leases and other dispositions permitted by clauses (A), (F), (G), (K) and (L) shall be made for fair value, and at least 75% of the consideration received with respect to each such sale, transfer, lease and other disposition shall consist of cash, cash equivalents, Permitted Investments, liabilities assumed by the transferee, accounts receivable retained by the transferor or any combination of the foregoing.

(xv) Sale and Leaseback Transactions. The Corporation shall not, and shall not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets that is made for cash consideration in an amount not less than the cost of such fixed or capital asset and is consummated within 180 days after the Corporation or such Subsidiary acquires or completes the construction of such fixed or capital asset.

(xvi) Swap Agreements. The Corporation shall not, and shall not permit any of its Subsidiaries to, enter into any Swap Agreement, except (A) Swap Agreements required by the Credit Agreement, (B) Swap Agreements entered into to hedge or mitigate risks to which the Corporation or any of its Subsidiaries has actual exposure (other than those in respect of Equity Interests of the Corporation or any of its Subsidiaries) and (C) Swap Agreements entered into in order to effectively cap, collar or exchange (1) interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Corporation or any of its Subsidiaries and (2) currency exchange rates, in each case in connection with the conduct of its business and not for speculative purposes.

(xvii) Restricted Payments; Certain Payments of Indebtedness.

(A) The Corporation shall not, and shall not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that (1) the Corporation may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (2) the Corporation may declare and pay dividends with respect to its Designated Preferred, (3) the Corporation may redeem the Designated Preferred to the extent and at the times required by, and in accordance with, the terms of the Designated

Preferred, (4) any Subsidiary of the Corporation may declare and pay dividends (or, in the case of any partnership or limited company, any similar distribution) with respect to its Equity Interests on a pro rata basis, (5) the Corporation and its Subsidiaries may make Restricted Payments at any time in an aggregate amount not in excess of the Remaining Excess Cash at such time and (6) the Corporation or any Subsidiary of the Corporation may make a payment or other distribution in cash to any of CCE Spinco and its Subsidiaries (other than the Corporation and its Subsidiaries), provided such payment or other distribution is used within 30 days to pay any of the following items: (I) federal, state, local, foreign and other taxes in an amount not to exceed the sum of (a) the tax liability of the Corporation and its Subsidiaries calculated on a stand alone basis less any such taxes directly payable by the Corporation or any of its Subsidiaries and (b) the tax liability of CCE Spinco and its Subsidiaries (other than the Corporation and its Subsidiaries) resulting from any payment or other distribution made pursuant to SECTION 2(g)(xvii)(A)(6) of this ARTICLE IV, (II) expenses relating to being a public company, including conducting shareholder meetings, mailing and soliciting proxies, compliance with the Exchange Act (including the preparation of Exchange Act reports) and the Sarbanes-Oxley Act of 2002, (III) directors and officers insurance, (IV) directors fees and expenses, (V) expenses and capital expenditures associated with the operation of the theatrical property located in New York City held by the direct parent company of the Corporation in an amount not to exceed $2,500,000 per fiscal year, (VI) audit fees and expenses; (VII) fees and expenses associated with debt or equity issuances by the direct or indirect parent companies of the Corporation to the extent in excess of cash proceeds received, (VIII) fees and expenses associated with defending litigation and other contested matters, (IX) any amount required to be paid by CCE Spinco to meet its obligations under the Master Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement, Employee Matters Agreement and Trademark and Copyright License Agreement and (X) fees and expenses required to maintain corporate existence and to pay for general corporate and overhead expenses (including salaries and other compensation of the employees) incurred in the ordinary course of its business, which fees and expenses for purposes of this clause (X) shall not exceed $5,000,000 during any fiscal year; *provided* that the prohibitions and limitations set forth in SECTION 2(g)(xvii) of this ARTICLE IV shall not apply with respect to any Restricted Payment if immediately before and after giving pro forma effect to such Restricted Payment, (A) the Leverage Ratio would be less than 3.0 to 1.0 and (B) no Default shall have occurred and be continuing (including any Default under SECTION 2(g)(xxi), (xxii), (xxiii) or (xxiv) of this ARTICLE IV), and any Restricted Payments made under the exception set forth in this proviso shall be disregarded for purposes of determining whether any Restricted

Payments may be made under the other provisions of SECTION 2(g)(xvii) of this ARTICLE IV when such exception is not applicable.

(B) The Corporation shall not, and shall not permit any of its Subsidiaries to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Indebtedness, except:

(1) payment of Indebtedness created under the Credit Agreement;

(2) payments as and when due in respect of any Indebtedness, other than payments in respect of the Subordinated Indebtedness prohibited by the subordination provisions thereof;

(3) refinancings of Indebtedness to the extent permitted by SECTION 2(g)(x) of this ARTICLE IV; and

(4) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness,

provided that the prohibitions and limitations set forth in SECTION 2(g)(xvii)(B) of this ARTICLE IV shall not apply with respect to any such payment or other distribution if immediately before and after giving pro forma effect to such payment or other distribution, (A) the Leverage Ratio would be less than 3.0 to 1.0 and (B) no Default shall have occurred and be continuing (including any Default under SECTION 2(g)(xxi), (xxii), (xxiii) or (xxiv) of this ARTICLE IV).

(xviii) Transactions with Affiliates. The Corporation shall not, and shall not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates involving consideration in excess of the US Dollar Equivalent of $1,000,000 except, without duplication, (A) transactions in the ordinary course of business that are at prices and on terms and conditions not less favorable to the Corporation or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (B) transactions between or among the Corporation and any of its Subsidiaries and not involving any other Affiliate, (C) any Restricted Payment permitted by SECTION 2(g)(xvii) of this ARTICLE IV, (D) investments permitted under SECTION 2(g)(xiii)(D) of this ARTICLE IV, (E) loans and advances permitted under SECTION 2(g)(xiii)(J) of this ARTICLE IV and

Guarantees permitted under SECTION 2(g)(xiii)(O) of this ARTICLE IV, (F) the performance of employment, equity award, equity option or equity appreciation agreements, plans or other similar compensation or benefit plans or arrangements (including vacation plans, health and insurance plans, deferred compensation plans and retirement or savings plans) entered into by the Corporation or any of its Subsidiaries in the ordinary course of its business with its employees, officers and directors (G) the performance of any agreement in effect on the Distribution Date, including but not limited to any agreement filed as an exhibit to the Form 10 of Clear Channel filed in conjunction with the spin-off of CCE Spinco, as such agreements are ultimately filed in final form with the Securities and Exchange Commission by CCE Spinco, (H) fees and compensation to, and indemnity provided on behalf of, officers, directors, employees and consultants of the Corporation or any of its Subsidiaries in their capacity as such, to the extent such fees and compensation are reasonable and customary and (I) transfers of cash and cash equivalents at any time in an aggregate amount not in excess of the Remaining Cash Excess at such time.

(xix) Restrictive Agreements. The Corporation shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (A) the ability of the Corporation or any of its Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets, or (B) the ability of the Corporation or any of its Subsidiaries to pay dividends or other distributions with respect to its Equity Interests or to make or repay loans or advances to the Corporation or any of its Subsidiaries or to Guarantee Indebtedness of the Corporation or any of its Subsidiaries, *provided* that (1) the foregoing shall not apply to restrictions and conditions that are (x) imposed by law, the Credit Agreement or this Certificate of Incorporation or (y) imposed by any agreement or instrument relating to secured Indebtedness permitted hereunder to the extent that such restrictions apply only to the property or assets securing such Indebtedness (including, to the extent required under the terms of such agreement or instrument on the date the applicable Indebtedness is incurred, proceeds thereof and after-acquired property in respect thereof), (2) the foregoing shall not apply to restrictions and conditions existing on the Distribution Date (but shall apply to any extension, renewal, amendment or modification expanding the scope of any such restriction or condition), (3) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary of the Corporation pending such sale, provided such restrictions and conditions apply only to such Subsidiary that is to be sold and such sale is permitted hereunder, (4) clause (A) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Certificate of Incorporation if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (5) clause (A) of the foregoing shall not apply to customary provisions in leases, licenses and similar contracts restricting the assignment, encumbrance or transfer thereof.

(xx) Amendment of Credit Agreement. The Corporation shall not, and shall not permit any of its Subsidiaries to, amend, modify or waive any of its rights under the Credit Agreement to the extent that such amendment, modification or waiver could reasonably be expected (a) to be material and adverse to the value of the Designated Preferred or (b) to permit Restricted Payments in excess of amounts permitted under SECTION 2(g)(xvii) of ARTICLE IV.

(xxi) Interest Expense Coverage Ratio. The Corporation shall not permit the ratio of (a) Consolidated EBITDA to (b) Consolidated Cash Interest Expense, in each case as of the end of any period of four consecutive fiscal quarters, to be less than 2.5 to 1.0.

(xxii) Leverage Ratio. The Corporation shall not permit the Leverage Ratio as of the end of any fiscal quarter of CCE Spinco during any period set forth below to exceed the ratio set forth opposite such period:

Period	Ratio
Effective Date through December 31, 2008	4.5 to 1.0
January 1, 2009 and thereafter	4.0 to 1.0

provided that at any time when an aggregate principal amount of Subordinated Indebtedness of CCE Spinco and its Subsidiaries in excess of the US Dollar Equivalent of $25,000,000 (determined on a consolidated basis) is outstanding, the Corporation instead shall not permit the Leverage Ratio as of the end of any fiscal quarter of CCE Spinco during any period set forth below to exceed the ratio set forth opposite such period:

Period	Ratio
Effective Date through December 31, 2006	6.5 to 1.0
January 1, 2007 through December 31, 2007	6.0 to 1.0
January 1, 2008 through December 31, 2008	5.5 to 1.0
January 1, 2009 and thereafter	5.0 to 1.0

(xxiii) Senior Leverage Ratio. At any time when an aggregate principal amount of Subordinated Indebtedness of CCE Spinco and its Subsidiaries in excess of the US Dollar Equivalent of $25,000,000 (determined on a consolidated basis) is outstanding, the Corporation shall not permit the Senior Leverage Ratio as of the end of any fiscal quarter of CCE Spinco to exceed 3.0 to 1.0.

(xxiv) Capital Expenditures. The Corporation shall not, and shall not permit any of its Subsidiaries to, make Capital Expenditures that would cause the US Dollar Equivalent of the aggregate amount of all Capital Expenditures made by CCE Spinco and its Subsidiaries in any fiscal year of the Corporation to exceed the amount of Capital Expenditures set forth below opposite such fiscal year:

Fiscal Year Ended	Capital Expenditures
December 31, 2005	$ 125,000,000
December 31, 2006	$ 125,000,000
December 31, 2007 and thereafter	$ 110,000,000

provided that to the extent that the aggregate amount of Capital Expenditures made by CCE Spinco and its Subsidiaries in any fiscal year pursuant to SECTION 2(g)(xxiv) of this ARTICLE IV is less than the maximum amount of Capital Expenditures permitted by SECTION 2(g)(xxiv) of this ARTICLE IV with respect to such fiscal year, the amount of such difference (the "**Rollover Amount**") may be carried forward and used to make Capital Expenditures in the immediately succeeding fiscal year, *provided further* that Capital Expenditures in any fiscal year shall be counted against the Rollover Amount available with respect to such fiscal year prior to being counted against the base amount with respect to such fiscal year and provided further that for purposes of SECTION 2(g)(xxiv) of this ARTICLE IV, all Capital Expenditures made with Net Proceeds that are reinvested in accordance with Section 2.11(c) of the Credit Agreement shall be disregarded in determining Capital Expenditures made by CCE Spinco and its Subsidiaries in any fiscal year of CCE Spinco.

(xxv) Accounting Changes. CCE Spinco shall not make any change to its fiscal year.

(h) Additional Covenant. The Corporation shall not permit the Leverage Ratio as of the end of any fiscal quarter of CCE Spinco to exceed 4.0 to 1.0. The sole remedy for the failure by the Corporation to comply with the covenant of SECTION 2(h) of this ARTICLE IV shall, unless such failure results in a separate default under SECTION 2(g)(xxiii) of this ARTICLE IV, be to receive Designated Preferred Penalty Dividends as provided in the third sentence of SECTION 2(b)(i) of this ARTICLE IV, and the holders of the Designated Preferred will not be entitled to specific performance and a Default will not be deemed to occur.

(i) Status of Reacquired Shares. Shares of Designated Preferred that have been issued and reacquired in any manner, including shares redeemed or purchased by the Corporation pursuant to SECTION 2(d) or SECTION 2(e) of this ARTICLE IV, shall (upon compliance with any applicable provisions of the laws of the State of Delaware) have the status of authorized and unissued shares of the class of Preferred Stock,

undesignated as to series, and may be redesignated and reissued as part of any series of the Preferred Stock; provided that no such issued and reacquired shares of Designated Preferred shall be reissued or sold as shares of Series A Preferred or Series B Preferred.

(j) Adjustments. Upon the occurrence of any stock split, combination or reclassification of, or other similar event affecting, the Series A Preferred or the Series B Preferred, the amount of the Stated Liquidation Preference of such series, and any other right in respect of the shares of such series that is denominated on a "per share" basis, shall be subject to equitable adjustment.

SECTION 3. Additional Series of Preferred Stock. Subject to SECTION 2 of this ARTICLE IV the Board of Directors is hereby authorized by resolution or resolutions to provide, out of the unissued shares of Preferred Stock (other than shares of Preferred Stock that have been designated herein as Series A Preferred or Series B Preferred), for one or more additional series of Preferred Stock and, with respect to each such series, to fix the voting powers, if any, designations, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, of any such series, and to fix the number of shares constituting such series, and to increase or decrease the number of shares of any such series (but not below the number of shares thereof then outstanding). The authority of the Board of Directors with respect to each such series of Preferred Stock shall include, but not be limited to, determination of the following:

(a) the designation of the series, which may be by distinguishing number, letter or title;

(b) the number of shares of the series, which number the Board of Directors may thereafter increase or decrease (but not below the number of shares thereof then outstanding);

(c) whether dividends, if any, shall be cumulative or noncumulative and the dividend rate of the series;

(d) dates at which dividends, if any, shall be payable;

(e) the redemption rights and price or prices, if any, for shares of the series;

(f) the terms and amount of any sinking fund provided for the purchase or redemption of shares of the series;

(g) the amounts payable on, and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation;

(h) whether the shares of the series shall be convertible into shares of any other class or series, or any other security, of the Corporation or any other entity and, if so, the specification of such other class or series of such other security, the conversion price or prices or rate or rates, any adjustments thereof, the date or dates at which such

shares shall be convertible and all other terms and conditions upon which such conversion may be made;

(i) restrictions on the issuance of shares of the same series or of any other class or series; and

(j) the voting rights, if any, of the holders of shares of the series.

SECTION 4. Common Stock. The following is a statement of the voting powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations and restrictions of the Common Stock:

(a) Dividends. Subject to SECTION 2 of this ARTICLE IV and the provisions of any Certificate of Designations, the holders of Common Stock shall be entitled to receive such dividends and other distributions, in cash, stock of any entity or property of the Corporation, when and as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in all such dividends and other distributions.

(b) Voting. At every meeting of the stockholders of the Corporation, every holder of Common Stock shall be entitled to one vote in person or by proxy for each share of Common Stock standing in such holder's name on the transfer books of the Corporation in connection with the election of directors and on all other matters submitted to a vote of stockholders of the Corporation.

(c) Payments on Dissolution. In the event of any Liquidation, after payment in full of the amounts required to be paid to the holders of Preferred Stock pursuant to SECTION 2(c) of this ARTICLE IV and the provisions of any Certificate of Designations, the remaining assets and funds of the Corporation shall be distributed pro rata to the holders of Common Stock.

SECTION 5. No Cumulative Voting. No stockholder shall be entitled to exercise any right of cumulative voting.

ARTICLE V
CORPORATE OPPORTUNITIES AND CONFLICTS OF INTEREST

SECTION 1. Purpose. This ARTICLE V anticipates the possibility that (a) the Corporation shall not be an indirect subsidiary of Clear Channel and that CCE Spinco may become, directly or indirectly, a controlling, majority or significant stockholder of the Corporation, (b) certain Clear Channel Officials may also serve as Corporation Officials, (c) the Corporation Entities and the Clear Channel Entities may, from time to time, (i) engage in the same, similar or related activities or lines of business or other business activities that overlap or compete with those of the other and (ii) have an interest in the same areas of corporate opportunities, and (d) benefits may be derived by the Corporation Entities through their continued contractual, corporate and business relations with the Clear Channel Entities. The

provisions of this ARTICLE V shall, to the fullest extent permitted by law, define the conduct of certain affairs of the Corporation Entities and Corporation Officials as they may involve the Clear Channel Entities, and the powers, rights, duties and liabilities of the Corporation Entities and Corporation Officials in connection therewith. Capitalized terms used and not previously defined in this Certificate of Incorporation are defined, and shall have the meaning ascribed thereto, in SECTION 1 of ARTICLE XI.

SECTION 2. Existing Transactions with Clear Channel Entities. No contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof) entered into between any Corporation Entity, on the one hand, and any Clear Channel Entity, on the other hand, before the Corporation ceased to be an indirect, wholly-owned subsidiary of Clear Channel shall be void or voidable or be considered unfair to the Corporation solely for the reason that any Clear Channel Entity is a party thereto, or solely because any Clear Channel Official is a party thereto, or solely because any Clear Channel Official was present at or participated in any meeting of the Board of Directors, or committee thereof, of the Corporation, or the board of directors, or committee thereof, of any Corporation Affiliate, that authorized the contract, agreement, arrangement or transaction (or any amendment, modification or termination thereof), or solely because his, her or their votes were counted for such purpose. No such contract, agreement, arrangement or transaction (or the amendment, modification or termination thereof) or the performance thereof by any Corporation Entity shall be considered to be contrary to any fiduciary duty owed to any of the Corporation Entities or to any of their respective stockholders by any Corporation Official (including any Corporation Official who may have been a Clear Channel Official) and each such Corporation Official shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation Entities, and shall be deemed not to have breached his or her duties of loyalty to the Corporation Entities and their respective stockholders, and not to have derived an improper personal benefit therefrom. No Corporation Official shall have or be under any fiduciary duty to any Corporation Entity or any of their respective stockholders to refrain from acting on behalf of any such Corporation Entity in respect of any such contract, agreement, arrangement or transaction (or the amendment, modification, or termination thereof) or to refrain from performing any such contract, agreement, arrangement or transaction (or the amendment, modification or termination thereof) in accordance with its terms.

SECTION 3. (1) If a Corporation Official who is also a Clear Channel Official is offered, or acquires knowledge of, a potential transaction or business opportunity that is or may be a corporate opportunity for any Corporation Entity, the Corporation, on behalf of itself and each Corporation Affiliate, to the fullest extent permitted by law except as provided in SECTION 3(3) of this ARTICLE V, renounces any interest or expectancy in such potential transaction or business opportunity and waives any claim that such potential transaction or business opportunity constituted a corporate opportunity that should have been presented to the Corporation or any such Corporation Affiliate.

(2) If a Corporation Official who is also a Clear Channel Official is offered, or acquires knowledge of, a potential transaction or business opportunity that is or may be a corporate opportunity for any Corporation Entity in any manner, such Corporation Official shall have no duty to communicate or present such potential transaction or business opportunity to the Corporation or any Corporation Affiliate and shall, to the fullest extent permitted by law, not be

liable to any Corporation Entity, or its stockholders, for breach of any fiduciary duty as a Corporation Official including without limitation by reason of the fact that any one or more of the Clear Channel Entities pursues or acquires such potential transaction or business opportunity for itself, directs such potential transaction or business opportunity to another person or entity, or otherwise does not communicate information regarding such potential transaction or business opportunity to the Corporation or any Corporation Affiliate.

(3) Notwithstanding anything to the contrary in this SECTION 3 of this ARTICLE V, the Corporation does not renounce any interest or expectancy it may have in any corporate opportunity that is expressly offered to any Corporation Official in writing solely in his or her capacity as a Corporation Official.

SECTION 4. No amendment or repeal of this ARTICLE V shall apply to or have any effect on the liability or alleged liability of any Clear Channel Entity or Corporate Official for or with respect to any corporate opportunity that such Clear Channel Entity or Corporate Official was offered, or of which such Clear Channel Entity or Corporate Official acquired knowledge prior to such amendment or repeal.

SECTION 5. In addition to, and notwithstanding the foregoing provisions of this ARTICLE V, a potential transaction or business opportunity (1) that the Corporation Entities are not financially able, contractually permitted or legally able to undertake, or (2) that is, from its nature, not in the line of the Corporation Entities' business, is of no practical advantage to any Corporation Entity or that is one in which no Corporation Entity has any interest or reasonable expectancy, shall not, in any such case, be deemed to constitute a corporate opportunity belonging to the Corporation, or any Corporate Affiliate, and the Corporation, on behalf of itself and each Corporation Affiliate, to the fullest extent permitted by law, hereby renounces any interest therein.

SECTION 6. Anything in this Certificate of Incorporation to the contrary notwithstanding, the provisions of SECTIONS 3, 4 and 5 of this ARTICLE V shall automatically terminate, expire and have no further force and effect from and after the date on which no Corporation Official is also a Clear Channel Official.

ARTICLE VI
BOARD OF DIRECTORS

SECTION 1. Number of Directors. Prior to the issuance of any shares of Designated Preferred and continuing for so long as any shares of Designated Preferred are outstanding, the number of directors of the Corporation shall be fixed at four (4); *provided*, *however*, that upon the occurrence of an Event of Default and for so long as such Event of Default is continuing, the number of directors of the Corporation shall be increased by one member (such member, the "**Designated Director**"). From and after the time when shares of Designated Preferred are no longer outstanding, the number of directors of the Corporation shall be fixed, and may be increased or decreased from time to time, exclusively by resolution adopted by a majority of the entire Board of Directors, subject to the rights of the holders of any other series of Preferred Stock to elect directors under specified circumstances. No decrease in the number of directors shall shorten the term of any incumbent director.

SECTION 2. Election of Directors. For so long as any shares of Designated Preferred are outstanding:

(a) three (3) directors of the Corporation shall be elected solely by the holders of the Common Stock, voting as a separate class, such directors being those persons receiving a plurality of the votes cast by such holders of Common Stock;

(b) one (1) director of the Corporation shall be elected solely by the holders of the Series A Preferred, voting as a separate class, such director being the person receiving a majority of the votes cast by such holders of Series A Preferred, with each share of Series A Preferred entitling the holder thereof to one (1) vote for such director; and

(c) the Designated Director, if one is to be elected, shall be elected solely by the holders of the Series A Preferred and the Series B Preferred, voting together as a single class, such director being the person receiving a majority of the votes cast by such holders of Series A Preferred and Series B Preferred, with each share of Series A Preferred and each share of Series B Preferred entitling the holder thereof to one (1) vote for such Designated Director.

At any time when shares of Designated Preferred are no longer outstanding, subject to the rights of the holders of any other series of Preferred Stock to elect directors under specified circumstances, all of the directors of the Corporation shall be elected by the holders of the capital stock of the Corporation entitled to vote in the election of directors, such directors being those persons receiving a plurality of the votes cast by such holders of capital stock.

Unless and except to the extent that the By-Laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

SECTION 3. Term. Directors shall be elected for a term that shall expire at the next annual meeting of the stockholders and each shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, disability, resignation or removal. Notwithstanding the foregoing, the term of the Designated Director, if one is elected, shall expire immediately, and without any further action on the part of the Corporation, the Board of Directors, the Designated Director, the holders of any capital stock of the Corporation or any other person, at such time as all Events of Default that have occurred are no longer continuing, and no successor to such Designated Director shall thereupon be elected unless and until a subsequent Event of Default occurs.

SECTION 4. Removal. For so long as any shares of Designated Preferred are outstanding:

(a) any director elected solely by the holders of the Common Stock may be removed from office at any time, with or without cause, but only by the majority vote of the holders of Common Stock;

(b) any director elected solely by the holders of the Series A Preferred may be removed from office at any time, with or without cause, but only by the majority vote of the holders of Series A Preferred; and

(c) the Designated Director, if one is elected, may be removed from office at any time, with or without cause, but only by the majority vote of the holders of Series A Preferred and Series B Preferred, voting together, with each share of Series A Preferred and each share of Series B Preferred entitling the holder thereof to one (1) vote.

At any time when shares of Designated Preferred are no longer outstanding, except as otherwise provided in a Certificate of Designations, any director or the entire Board of Directors may be removed from office at any time, with or without cause, but only by the majority vote of the holders of the capital stock of the Corporation entitled to vote in the election of directors.

SECTION 5. Vacancies. For so long as any shares of Designated Preferred are outstanding, any vacancy in the Board of Directors resulting from the death, disability, resignation or removal from office of any director shall be filled by the vote of stockholders that would have been required to remove such director pursuant to SECTION 4 of this ARTICLE VI. Any director so chosen shall be elected for the remainder of the term of his or her predecessor or until his or her earlier death, disability, resignation or removal.

At any time when shares of Designated Preferred are no longer outstanding, except as otherwise provided in a Certificate of Designations, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from the death, disability, resignation or removal from office of any director shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors, or by the sole remaining director. Any director so chosen shall be elected for a term that shall expire at the next annual meeting of the stockholders and shall hold office until his or her successor is duly elected and qualified or until his or her earlier death, disability, resignation or removal.

ARTICLE VII
BY-LAWS

In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized and empowered to adopt, amend and repeal the By-Laws of the Corporation at any regular or special meeting of the Board of Directors or by written consent, subject to the power of the stockholders of the Corporation to adopt, amend or repeal any By-Laws. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by a Certificate of Designations, the affirmative vote of the holders of a majority of the total voting power of the Voting Stock, voting together as a single class, shall be required for the stockholders of the Corporation to alter, amend or repeal any provision of the By-Laws, or to adopt any new By-Law.

ARTICLE VIII
AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right at any time from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and any other provisions

authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law. All rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons or entities whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this ARTICLE VIII. Notwithstanding any other provision of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any series of Preferred Stock required by law, by this Certificate of Incorporation or by a Certificate of Designations, the affirmative vote of a majority of the total voting power of the Voting Stock, voting together as a single class, shall be required to amend, alter, change or repeal any provision of this Certificate of Incorporation, or to adopt any new provision of this Certificate of Incorporation.

To the extent that the lenders under the Credit Agreement (other than any lender that is CCE Spinco, the Corporation or any of their respective Affiliates or Subsidiaries) agree to a waiver, consent, supplement, amendment or other modification to any covenant (it being agreed that in determining whether such wavier, consent, supplement, amendment or other modification shall satisfy the requirements of this paragraph, such waiver, consent, supplement, amendment or other modification shall only be applicable if it would have been effective without the vote of all lenders of the type described in the first parenthetical of this paragraph) in the Credit Agreement that corresponds to a covenant set forth in SECTION 2(g) of ARTICLE IV (but only to the extent such covenant corresponds to a covenant set forth in SECTION 2(g) of ARTICLE IV (it being acknowledged that there are differences between the Credit Agreement and SECTION 2(g) of ARTICLE IV to which this paragraph shall not apply)), the holders of Designated Preferred will be deemed to have consented and agreed to such waiver, consent, supplement, amendment or other modification and shall be deemed to have voted their Designated Preferred to effect such waiver, consent, supplement, amendment or other modification unless such waiver, consent, supplement, amendment or other modification could reasonably be expected (a) to be material and adverse to the value of the Designated Preferred or restrict any payments to the Designated Preferred, (b) to permit (i) Restricted Payments in excess of amounts permitted under SECTION 2(g)(xvii) of ARTICLE IV, (ii) transactions with Affiliates prohibited under SECTION 2(g)(xviii) of ARTICLE IV as in effect on the Distribution Date, (iii) investments in any Person other than the Corporation or a Subsidiary of the Corporation prohibited by SECTION 2(g)(xiii)(D) of ARTICLE IV as in effect on the Distribution Date and (iv) Indebtedness owing to CCE Spinco or any of its Subsidiaries in excess of amounts permitted under SECTION 2(g)(x)(A)(3) of ARTICLE IV as in effect on the Distribution Date; provided, however, that such waiver, consent, supplement, amendment or other modification shall not be effective until an equivalent amount of any fees or other amounts paid (calculated based on the percentage of the principal amount of the loan to which such fee or other amount relates) to the lender or lenders under the Credit Agreement for the granting by such lender or lenders of any such waiver, consent, supplement, amendment or other modification (the "**Modification Fees**") shall be paid on a pro rata basis (based on liquidation preferences calculated pursuant to SECTION 2(c)(i) of ARTICLE IV) to the holders of the Designated Preferred. As a condition to receiving any such Modification Fees, the holders of the Designated Preferred shall provide written consent reasonably requested by the Corporation, and reasonably satisfactory in form and substance to the holders of the Designated Preferred, required to effect a formal amendment to this Certificate of Incorporation to reflect any such waiver, consent, supplement, amendment or other

modification. Until such time as this Certificate of Incorporation has been formally amended, to the extent that the holders of Designated Preferred are required hereunder to provide their consent, this Certificate of Incorporation shall be deemed to be amended *mutatis mutandis*.

ARTICLE IX
LIMITATIONS ON LIABILITY AND INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 1. Elimination of Certain Liability of Directors. A director of the Corporation shall not be personally liable to the Corporation, or its stockholders, for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists at the time of the alleged breach.

Any repeal or modification of the foregoing paragraph shall not adversely affect any right or protection of a director of the Corporation existing hereunder with respect to any act or omission occurring prior to such repeal or modification.

SECTION 2. Indemnification and Insurance.

(a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation, or while a director or officer of the Corporation is or was serving, at the request of the Corporation, as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans maintained or sponsored by the Corporation, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director or officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in SECTION 2 of this ARTICLE IX shall be a contract right. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of director and officers.

(b) Non-Exclusivity of Rights. The right to indemnification conferred in SECTION 2 of this ARTICLE IX shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, By-Law, agreement, vote of stockholders or disinterested directors or otherwise.

(c) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

ARTICLE X
STOCKHOLDER ACTION

SECTION 1. Action By Written Consent. Any action required or permitted to be taken by stockholders at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted.

SECTION 2. Special Meetings of Stockholders. Except as otherwise required by law or a Certificate of Designations, special meetings of stockholders of the Corporation may be called only by (1) CCE Holdco #1, Inc., or such other holder of all of the outstanding Common Stock of the Corporation, so long as CCE Spinco or a CCE Affiliate is the beneficial owner of at least a majority of the total voting power of the Voting Stock, (2) the Chairman of the Board of Directors or the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors or (3) by the Secretary when required by SECTION 3 of this ARTICLE X. Any other power of stockholders to call a special meeting of stockholders is specifically denied. No business other than that stated in the notice of a special meeting of stockholders shall be transacted at such special meeting.

SECTION 3. Special Meeting Called Upon a Default. Within five days following the occurrence of a Default that is not cured or waived within such five day period, the Secretary shall call a special meeting of stockholders by providing written notice thereof in accordance with the By-Laws of the Corporation to each record holder of Designated Preferred. Such meeting shall be held not less than fifteen days nor more than 50 days after the date of such Default. If the Secretary does not mail or cause to be mailed notice of such meeting as provided above within 20 days after such Default, a special meeting of stockholders may be called by any holder of Designated Preferred by giving the notice described above, and for that purpose shall have access to the Corporation's stock books. The date of such Default shall be the record date for determining the holders of stock entitled to notice of and to vote at such special meeting.

ARTICLE XI
INTERPRETIVE PROVISIONS

SECTION 1. Certain Definitions. For purposes of this Certificate of Incorporation:

(a) The term "**Affiliate**" shall mean, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

(b) The terms "**beneficial owner**" and "**beneficial ownership**" shall have the meaning ascribed to such terms in Rule 13d-3 and Rule 13d-5 under the Exchange Act, and shall be determined in accordance with such rule.

(c) The term "**Capital Expenditures**" shall mean, for any period, (i) the additions to property, plant and equipment and other capital expenditures of CCE Spinco and its consolidated Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of CCE Spinco for such period prepared in accordance with GAAP and (ii) Capital Lease Obligations incurred by CCE Spinco and its consolidated Subsidiaries during such period.

(d) The term "**Capital Lease Obligations**" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

(e) The term "**CCE Affiliate**" shall mean (i) any corporation, partnership, joint venture, association or other entity of which CCE Spinco is the beneficial owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests, or (ii) any other corporation, partnership, joint venture, association or other entity that is controlled by CCE Spinco, controls CCE Spinco or is under common control with CCE Spinco.

(f) The term "**CCE Spinco**" shall mean (i) CCE Spinco, Inc., a Delaware corporation, and (ii) for the purposes of SECTION 2(g) of ARTICLE IV if CCE Spinco ceases to be the direct or indirect parent of the Corporation, shall mean the Corporation.

(g) The term "**Certificate of Designations**" shall mean the resolution or resolutions adopted by the Board of Directors pursuant to SECTION 3 of ARTICLE IV designating the rights, powers and preferences of any series of Preferred Stock (other than the Series A Preferred and the Series B Preferred) and the Certificate of Designations filed by the Corporation with respect thereto.

(h) The term "**Change of Control**" shall mean a) the acquisition of ownership, directly or indirectly, beneficially, by any Person or group (within the meaning of the Exchange Act and the rules and regulations promulgated thereunder but excluding any employee benefit plan of such Person or its subsidiaries, and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of such plan), of securities representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding securities of CCE Spinco; (b) if, during any period of up to 12 consecutive months, commencing on the Distribution Date, individuals

who at the beginning of such period (together with any new directors whose election or whose nomination for election by the stockholders was approved by a vote of 66- 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination was previously so approved) were directors of CCE Spinco shall cease for any reason to constitute a majority of the Board of Directors of CCE Spinco; (c) any other event that constitutes a "change of control" or similar event with respect to CCE Spinco, however denominated, under any other agreement or instrument evidencing or governing any Material Indebtedness of CCE Spinco or any of its Subsidiaries or (d) CCE Spinco ceasing to own directly or indirectly all of the capital stock of the Corporation other than the Designated Preferred; provided, however, that the spin-off of CCE Spinco by Clear Channel as contemplated by the Form 10 of Clear Channel filed with the Securities and Exchange Commission shall not be deemed to be a Change of Control hereunder.

(i) The term "**Clear Channel**" shall mean Clear Channel Communications, Inc., a Texas corporation.

(j) The term "**Clear Channel Affiliate**" shall mean, other than the Corporation or any Corporation Affiliate, (i) any corporation, partnership, joint venture, association or other entity of which Clear Channel is the beneficial owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests, or (ii) any other corporation, partnership, joint venture, association or other entity that is controlled by Clear Channel, controls Clear Channel or is under common control with Clear Channel.

(k) The term "**Clear Channel Entity**" shall mean any one or more of Clear Channel and the Clear Channel Affiliates.

(l) The term "**Clear Channel Official**" shall mean each person who is a director or an officer (or both) of one or more Clear Channel Entities.

(m) The term "**Consolidated Cash Interest Expense**" shall mean for any period, the excess of (i) the sum of (A) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of CCE Spinco and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, plus (B) any interest accrued during such period in respect of Indebtedness of CCE Spinco or any of its Subsidiaries that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP, plus (C) any cash payments made during such period in respect of obligations referred to in clause (ii)(B) below that were amortized or accrued in a previous period, plus (D) the aggregate amount of all restricted payments made pursuant to the Credit Agreement (other than Restricted Payments made pursuant to SECTION 2(g)(xvii)(A)(3), 2(g)(xvii)(A)(5) or 2(g)(xvii)(A)(6) of ARTICLE IV) by the Corporation or its direct parent company to Persons other than the Corporation or such direct parent company during such period minus (ii) the sum of (A) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of financing costs paid in a previous period, plus (B) to the extent included in such consolidated interest expense for

such period, non-cash amounts attributable to amortization of debt discounts or accrued interest payable in kind for such period, *provided* that Consolidated Cash Interest Expense with respect to any period shall be determined after giving pro forma effect to all acquisitions, investments, sales, dispositions, mergers, incurrences of Indebtedness or similar events (including, as applicable, the application of the proceeds therefrom) during such period.

(n) The term "**Consolidated EBITDA**" shall mean, for any period, Consolidated Net Income for such period plus (i) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (A) consolidated interest expense for such period, (B) consolidated income tax expense for such period, (C) all amounts attributable to depreciation and amortization for such period, (D) any extraordinary charges or losses for such period, and (E) the one-time adjustments with respect to the fiscal quarters ended March 31, 2005, September 30, 2005 and December 31, 2005 that are set forth as Item 2 on Schedule X to each of the Class A Preferred Stock Subscription Agreement dated December 12, 2005, between CCE Spinco and the investors named therein, and the Class B Preferred Stock Purchase Agreement dated December 12, 2005, between Clear Channel and the purchasers named therein, minus (ii) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary gains for such period, all determined on a consolidated basis in accordance with GAAP and after giving pro forma effect to all acquisitions, investments, sales, dispositions, mergers, incurrences of Indebtedness or similar events (including, as applicable, the application of the proceeds therefrom) during such period.

(o) The term "**Consolidated Net Income**" shall mean, for any period, the net income or loss of CCE Spinco and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (adjusted to reflect any charge, tax or expense incurred or accrued by CCE Spinco during such period as though such charge, tax or expense had been incurred by CCE Spinco, to the extent that CCE Spinco has made or would be entitled under the Credit Agreement to make any payment to or for the account of CCE Spinco in respect thereof) and after giving pro forma effect to all acquisitions, investments, sales, dispositions, mergers, incurrences of Indebtedness or similar events (including, as applicable, the application of the proceeds therefrom) during such period, *provided* that, to the extent not included therein, the foregoing shall include the income of any Person (other than any Subsidiary of CCE Spinco) in which any other Person (other than any other Subsidiary of CCE Spinco or any director holding qualifying shares in compliance with applicable law) owns an Equity Interest, to the extent of the amount of dividends or other distributions actually paid to CCE Spinco or any of its Subsidiaries during such period.

(p) The term "**Consolidated Tangible Assets**" shall mean, at any time, the value of the tangible assets of CCE Spinco and its Subsidiaries determined on a consolidated basis in accordance with GAAP, as set forth in the most recent Financial Officer's certificate delivered pursuant to SECTION 2(g)(i) of ARTICLE IV.

(q) The term "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or

appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "Controlling" and "Controlled" have meanings correlative thereto.

(r) The term "**corporate opportunity**" shall include, but not be limited to, business opportunities that (i) the Corporation or any Corporation Affiliate is financially able to undertake, (ii) are, from their nature, in the line of the Corporation's or any Corporation Affiliate's business, and (iii) are of practical advantage to the Corporation or any Corporation Affiliate and ones in which the Corporation or any Corporation Affiliate, but for the provisions of ARTICLE V, would have an interest or a reasonable expectancy.

(s) The term "**Corporation Affiliate**" shall mean (i) any corporation, partnership, joint venture, association or other entity of which the Corporation is the beneficial owner (directly or indirectly) of 20% or more of the outstanding voting stock, voting power, partnership interests or similar voting interests or (ii) any other corporation, partnership, joint venture, association or other entity that is controlled by the Corporation.

(t) The term "**Corporation Entity**" shall mean any one or more of the Corporation and the Corporation Affiliates.

(u) The term "**Corporation Official**" shall mean each person who is a director or an officer (or both) of the Corporation and/or one or more Corporation Affiliates.

(v) The term "**Credit Agreement**" shall mean that certain Credit Agreement, to be dated as of December 21, 2005, by and among CCE Spinco, SFX Entertainment, the guarantors party thereto, and initially providing for up to $575.0 million of revolving credit and term loan borrowings, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time (and for the avoidance of doubt, the term "Credit Agreement" includes the term Loan Documents, as defined in the Credit Agreement).

(w) The term "**Default**" shall mean any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

(x) The term "**Distribution Date**" shall mean December 21, 2005.

(y) The term "**Effective Date Excess Cash**" shall mean the amount, if any, by which the aggregate amount of consolidated cash and cash equivalents of CCE Spinco and its Subsidiaries on the effective date of the Credit Agreement (the "**Effective Date**") exceeds the US Dollar Equivalent of $150,000,000 *provided* that the Effective Date Excess Cash shall not exceed $125,000,000.

(z) The term "**Equity Interests**" shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

(aa) The term "**ERISA Affiliate**" means any trade or business (whether or not incorporated) that, together with the Corporation, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

(bb) The term "**ERISA Event**" means (a) any "reportable event", as defined in Section 4043 of the Employee Retirement Income Security Act of 1974, as amended from time to time ("**ERISA**"), or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Internal Revenue Code of 1986, as amended from time to time (the "**Code**"), or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Corporation or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Corporation or any ERISA Affiliate from the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions (the "**PBGC**") or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Corporation or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or multiemployer plan as defined in Section 4001(a)(3) of ERISA ("**Multiemployer Plan**"); or (g) the receipt by the Corporation or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Corporation or any ERISA Affiliate of any notice, concerning the imposition of liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA, or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

(cc) The term "**Event of Default**" shall mean (i) the failure of the Corporation to pay in cash any Designated Preferred Dividends or Designated Preferred Penalty Dividends within 10 business days of the Dividend Payment Date pursuant to SECTION 2(b) of ARTICLE IV (whether or not such payment is authorized or permitted); (ii) the failure of the Corporation to redeem all of the shares of Designated Preferred on the Mandatory Redemption Date or to pay the full redemption price payable with respect to each such share in cash within ten business days of the surrender to the Corporation of the certificate for such shares, all in accordance with SECTION 2(d) of ARTICLE IV (whether or not such payment is authorized or permitted); (iii) the failure of the Corporation to make a Repurchase Offer with respect to, or to consummate the purchase in cash of any, shares of Designated Preferred when required pursuant to SECTION 2(e) of ARTICLE IV (whether or not such payment is authorized or permitted); (iv) the failure

of the Corporation to comply with any other covenant or provision of SECTION 2 of ARTICLE IV (other than SECTION 2(h) of ARTICLE IV), ARTICLE VI, ARTICLE VIII or SECTION 3 of ARTICLE X and the continuation of such failure for at least 60 consecutive days; or (v) the acceleration of any Indebtedness of the Corporation or any of its Subsidiaries, which Indebtedness is in an aggregate outstanding principal amount exceeding $10.0 million prior to its stated maturity resulting from a default under any mortgage, indenture or instrument under which such Indebtedness was issued or by which such Indebtedness is evidenced or secured. An Event of Default that has occurred shall be deemed to be no longer continuing at such time as (A) the Corporation has cured such Event of Default to the extent such Event of Default can be cured, (B) such Event of Default has been waived in writing by the holders of a majority of the shares of Series A Preferred and the holders of a majority of the shares of Series B Preferred for Events of Default other than those specified in clauses (i), (ii) or (iii) of SECTION 1(cc) of this ARTICLE XI, (C) such Event of Default has been waived in writing by the holders of 72.5% of the shares of Series A Preferred and the holders of 72.5% of the shares of Series B Preferred for Events of Default specified in clauses (i), (ii) or (iii) of SECTION 1(cc) of this ARTICLE XI, or (D) the circumstances constituting such Event of Default no longer exist.

(dd) The term "**Excluded Acquisition**" means any purchase or other acquisition, in one transaction or a series of related transactions, of assets, properties and/or Equity Interests with an aggregate fair market value not exceeding $500,000 (or the US Dollar Equivalent thereof).

(ee) The term "**Financial Officer**" shall mean the chief financial officer, principal accounting officer, treasurer or controller of CCE Spinco or the Corporation.

(ff) The term "**Foreign Subsidiary**" shall mean any Subsidiary of the Corporation that is not organized under the laws of the United States of America or any State thereof or the District of Columbia.

(gg) The term "**GAAP**" shall mean generally accepted accounting principles in the United States of America.

(hh) The term "**Governmental Authority**" shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

(ii) The term "**Guarantee**" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment

thereof, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof (including pursuant to any "synthetic lease" financing), (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation, *provided* that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

(jj) The term "**Indebtedness**" of any Person means, without duplication, the following:

(i) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind made to such Person,

(ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments,

(iii) all obligations of such Person which customarily bear interest irrespective of whether a default has occurred,

(iv) all obligations of such Person under conditional sale or other title retention agreements (other than customary reservations or retentions of title under supply agreements entered into in the ordinary course of business) relating to property acquired by such Person,

(v) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable incurred in the ordinary course of business to the extent not more than 90 days overdue),

(vi) all obligations of others of the type referred to in clauses (i) through (v) and (vii) through (xi) of this definition secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not such obligations secured thereby have been assumed,

(vii) all Guarantees by such Person of obligations of others of the type referred to in clauses (i) through (vi) and (viii) through (xi) of this definition,

(viii) all Capital Lease Obligations of such Person,

(ix) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty,

(x) all obligations of such Person with respect to any Swap Agreement and

(xi) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

(kk) The term "**Leverage Ratio**" shall mean, on any relevant date of determination, the ratio of (i) Total Indebtedness as of such date minus Unrestricted Cash and Cash Equivalents as of such date to (ii) Consolidated EBITDA for the period of four consecutive fiscal quarters of CCE Spinco ended on such date.

(ll) The term "**Lien**" shall mean, with respect to any asset, (i) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (iii) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

(mm) The term "**Liquidation**" shall mean any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary; *provided*, *however*, that in no event shall the voluntary sale, conveyance, lease, license, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property or assets of the Corporation or a consolidation or merger of the Corporation with or into one or more other entities (whether or not the Corporation is the entity surviving such consolidation or merger) be deemed to be a Liquidation unless such sale, conveyance, exchange or transfer occurs in connection with the liquidation, dissolution or winding-up of the Corporation.

(nn) The term "**Material Adverse Effect**" shall mean a material adverse effect on (i) the business, assets, operations, properties, condition (financial or otherwise), liabilities (including contingent liabilities), material agreements or prospects of CCE Spinco and its Subsidiaries, taken as a whole, (ii) the ability of the Corporation to perform any of its obligations under this Certificate of Incorporation and (iii) the rights or remedies available to the holders of the Designated Preferred under this Certificate of Incorporation.

(oo) The term "**Material Indebtedness**" shall mean (without duplication) Indebtedness, or obligations in respect of one or more Swap Agreements, of any one or more of CCE Spinco and its Subsidiaries in an aggregate outstanding principal amount exceeding $10,000,000 determined on a consolidated basis. For purposes of determining Material Indebtedness in respect of any Swap Agreement, the "amount" of the outstanding principal amount of the obligations of CCE Spinco or any of its Subsidiaries in respect of such Swap Agreement at any time shall be the maximum aggregate amount

(giving effect to any netting agreements) that CCE Spinco or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

(pp) The term "**Net Proceeds**" shall mean, with respect to any event (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds, but only as and when received, (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid by CCE Spinco and its Subsidiaries to third parties (other than CCE Spinco and its Subsidiaries) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made by CCE Spinco and its Subsidiaries as a result of such event to repay Indebtedness secured by such asset and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by CCE Spinco and its Subsidiaries, and the amount of any reserves established by CCE Spinco and its Subsidiaries to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

(qq) The term "**Permitted Acquisition**" has the meaning set forth in SECTION 2(g)(xiii) of ARTICLE IV.

(rr) The term "**Permitted Deposits**" shall mean, with respect to CCE Spinco or its Subsidiaries, cash or cash equivalents (and all accounts and other depositary arrangements with respect thereto) securing customary obligations of such Person that are incurred in the ordinary course of business in connection with promoting or producing live entertainment events.

(ss) The term "**Permitted Encumbrances**" shall mean:

(i) Liens imposed by law for taxes, assessments, governmental charges, levies or claims that are not yet delinquent or are being contested in compliance with SECTION 2(g)(iv) of ARTICLE IV;

(ii) carriers', warehousemen's, mechanics', laborers', materialmen's, repairmen's, vendors' and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with SECTION 2(g)(iv) of ARTICLE IV;

(iii) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(iv) Permitted Deposits and deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds,

performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(v) awards or judgment liens in respect of awards or judgments, to the extent not resulting in an Event of Default (as defined in the Credit Agreement);

(vi) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Corporation or any of its Subsidiaries;

(vii) Liens created by lease agreements in respect of the leasehold interests leased by the Corporation or any of its Subsidiaries thereunder to secure the payments of rental amounts and other sums not yet due thereunder; and

(viii) Liens on leasehold interests of the Corporation or any of its Subsidiaries created by the lessor in favor of any mortgagee of the leased premises,

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

(tt) The term "**Permitted Investments**" shall mean:

(i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(ii) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, a credit rating of at least A-1 or P-1 from S&P or from Moody's, respectively;

(iii) investments in certificates of deposit, banker's acceptances and time deposits denominated in US Dollars and maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts denominated in US Dollars issued or offered by, any commercial bank organized under the laws of the United States of America or any State thereof or any member nation of the Organization for Economic Cooperation and Development which has a combined capital and surplus and undivided profits of not less than $500,000,000 (or the US Dollar Equivalent thereof) or any Lender or Affiliate of any Lender;

(iv) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (i) above and entered into with a financial institution satisfying the criteria described in clause (iii) above; and

(v) money market funds that (A) (1) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940 (or, in the case of money market funds offered by any commercial bank organized under the laws of any member nation of the Organization for Economic Cooperation and Development, the applicable criteria of such member nation to the extent substantially comparable to the criteria set forth in such Rule 2a-7), (2) are rated AAA by S&P and Aaa by Moody's or a comparable rating by any other nationally recognized rating agency and (3) have portfolio assets of at least $5,000,000,000 (or the US Dollar Equivalent thereof) or (B) are offered by any Lender or Affiliate of any Lender.

(uu) The term "**Permitted Subordinated Indebtedness**" means Indebtedness of the Corporation or any of its Subsidiaries that (a) is subordinated to the obligations under the Credit Agreement on terms no less favorable to the lenders under the Credit Agreement than the terms set forth in Exhibit F to the Credit Agreement and (ii) matures on or after the date that is one year after the maturity date of the term loan under the Credit Agreement.

(vv) The term "**Person**" shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(ww) The term "**Plan**" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Corporation or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

(xx) The term "**Remaining Excess Cash**" shall mean, at any time, an amount equal to the Effective Date Excess Cash less the sum of (i) the aggregate amount of investments, loans and advances made, and payments in respect of purchases and acquisitions consummated, pursuant to SECTION 2(g)(xiii)(M) of ARTICLE IV prior to such time, (ii) the aggregate amount of Restricted Payments made pursuant to SECTION 2(g)(xvii)(A)(5) of ARTICLE IV prior to such time and (iii) the aggregate amount of cash and cash equivalents transferred pursuant to SECTION 2(g)(xviii)(I) of ARTICLE IV prior to such time; provided that Remaining Excess Cash shall not, at any time, be less than zero.

(yy) The term "**Restricted Payment**" shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Corporation or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in the Corporation or any of its Subsidiaries or any option, warrant or other right to acquire any such Equity Interests in the Corporation or any of its Subsidiaries.

(zz) The term "**Senior Indebtedness**" shall mean Indebtedness of CCE Spinco or any of its Subsidiaries that is not expressly subordinated in right of payment to any other Indebtedness of CCE Spinco or any of its Subsidiaries.

(aaa) The term "**Senior Leverage Ratio**" shall mean, on any relevant date of determination, the ratio of (i) Total Senior Indebtedness as of such date minus Unrestricted Cash and Cash Equivalents as of such date to (ii) Consolidated EBITDA for the period of four consecutive fiscal quarters of CCE Spinco ended on such date.

(bbb) The term "**SFX Entertainment**" shall mean SFX Entertainment, Inc., a Delaware corporation.

(ccc) The term "**Specified Number**" shall mean, with respect to any meeting of stockholders or any written consent of stockholders in lieu of meeting, the result obtained by dividing (i) the aggregate number of votes entitled to be cast by the holders of Common Stock by (ii) three times the aggregate number of shares of Series A Preferred outstanding, in each case calculated as of the record date for such meeting or written consent of stockholders (or, if no record date is established, as of the date such vote is taken or such written consent is first solicited).

(ddd) The term "**Subordinated Indebtedness**" shall mean Indebtedness of CCE Spinco or any of its Subsidiaries that is expressly subordinated in right of payment to the obligations in the Credit Agreement.

(eee) The term "**Subsidiary**" shall mean, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with United States generally accepted accounting principles as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent, other than solely as a result of a contract under which the parent or one or more subsidiaries of the parent provides management services.

(fff) The term "**Swap Agreement**" shall mean any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions, provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Corporation or any of its Subsidiaries shall be a Swap Agreement.

(ggg) The term "**Total Indebtedness**" shall mean, as of any relevant date of determination, the sum of, without duplication, (i) the aggregate principal amount of Indebtedness of CCE Spinco and its Subsidiaries outstanding as of such date, in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, plus (ii) the aggregate principal amount of Indebtedness of CCE Spinco and its Subsidiaries outstanding as of such date that is not required to be reflected on a balance sheet in accordance with GAAP, determined on a consolidated basis, plus (iii) the aggregate amount of Accumulated Dividends and the liquidation preference for the Designated Preferred calculated pursuant to SECTION 2(c)(1) of ARTICLE IV; provided that Total Indebtedness shall exclude all Indebtedness of CCE Spinco and its Subsidiaries permitted under SECTION 2(g)(x)(A)(7) of ARTICLE IV.

(hhh) The term "**Total Senior Indebtedness**" shall mean, as of any relevant date of determination, the sum of (i) the aggregate principal amount of Senior Indebtedness of CCE Spinco and its Subsidiaries outstanding as of such date, in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, plus (ii) the aggregate principal amount of Senior Indebtedness of CCE Spinco and its Subsidiaries outstanding as of such date that is not required to be reflected on a balance sheet in accordance with GAAP, determined on a consolidated basis, provided that Total Senior Indebtedness shall exclude all Senior Indebtedness of CCE Spinco and its Subsidiaries permitted under SECTION 2(g)(x)(A)(7) and 2(g)(x)(A)(9) of ARTICLE IV.

(iii) The term "**Triggering Event**" shall mean the failure of the Corporation to comply with the covenant in SECTION 2(h) of ARTICLE IV.

(jjj) The term "**Unrestricted Cash and Cash Equivalents**" shall mean, as of any date, an amount equal to (a) the aggregate amount of consolidated cash and cash equivalents of CCE Spinco and its Subsidiaries as of such date less (b) the Remaining Excess Cash as of such date, *provided* that for all purposes hereunder, Unrestricted Cash and Cash Equivalents shall not exceed US$150,000,000.

(kkk) The term "**Voting Stock**" shall mean all classes of the then outstanding capital stock of the Corporation entitled to vote generally on any matter that could be submitted to a vote of stockholders of the Corporation other than the election of directors.

SECTION 2. Business Day. The term "**business day**," when used herein, means any day other than a Saturday, a Sunday, or a day on which banking institutions in the States of New York or Texas are authorized or obligated by law or executive order to close.

SECTION 3. Shares Outstanding. The term "**outstanding**," when used with reference to shares of Common Stock, Series A Preferred or Series B Preferred or any other shares of stock, shall mean issued shares excluding shares held by the Corporation or any Corporation Affiliate.

SECTION 4. Proportion of Shares. Every reference in this Certificate of Incorporation to a majority or other proportion of shares, or a majority or other proportion of the votes of

shares, of Common Stock, Series A Preferred or any other capital stock shall refer to such majority or other proportion of the votes to which such shares entitle their holders to cast as provided in this Certificate of Incorporation.

SECTION 5. Headings. The headings of the articles, sections and subsections of this Certificate of Incorporation are for convenience of reference only and shall not define, limit or affect any of the provisions hereof.

ARTICLE XII
INCORPORATOR

The name of the incorporator is Paulette Gerhart, whose mailing address is c/o Fulbright & Jaworski L.L.P., 300 Convent Street, Suite 2200, San Antonio, Texas 78205-3792.

ARTICLE XIII
EFFECTIVE TIME

This certificate of incorporation shall be effective on December 21, 2005, at 8:00 a.m. Eastern Time.

IN WITNESS WHEREOF, CCE Holdco #2, Inc. has caused this Certificate of Incorporation to be executed this 19th day of December, 2005.

/s/ Paulette Gerhart
Paulette Gerhart

Exhibit 10.7

CCE SPINCO, INC.
2005 STOCK INCENTIVE PLAN

1. Purpose. The purpose of the plan is to facilitate the ability of CCE Spinco, Inc., a Delaware corporation (the "Company") and its subsidiaries to attract, motivate and retain eligible employees, directors and other personnel through the use of equity-based and other incentive compensation opportunities. Awards made under the plan may take the form of options to purchase shares of the Company's common stock, $.01 par value (the "Common Stock") granted pursuant to Section 5, director shares issued pursuant to Section 6, stock appreciation rights granted pursuant to Section 7, restricted stock and deferred stock rights issued or granted pursuant to Section 8, other types of stock-based awards made pursuant to Section 9, and/or performance-based awards made pursuant to Section 10.

2. Administration.

2.1 The Committee. The Plan will be administered by the compensation committee of the Company's board of directors, except the entire board will have sole authority for granting and administering awards to non-employee directors.

2.2 Responsibility and Authority of the Committee. Subject to the provisions of the Plan, the committee, acting in its discretion, will have responsibility and the power and authority to (a) select the persons to whom awards will be made, (b) prescribe the terms and conditions of each award and make amendments thereto, (c) construe, interpret and apply the provisions of the Plan and of any agreement or other document evidencing an award made under the Plan, and (d) make any and all determinations and take any and all other actions as it deems necessary or desirable in order to carry out the terms of the Plan. The committee may obtain at the Company's expense such advice, guidance and other assistance from outside compensation consultants and other professional advisers as the committee deems appropriate in connection with the proper administration of the plan.

2.3 Delegation of Authority by Committee. Subject to the requirements of applicable law, the committee may delegate to any person or group or subcommittee of persons (who may, but need not be members of the committee) such Plan-related functions within the scope of its responsibility, power and authority as it deems appropriate. If the committee wishes to delegate a particular function to a subcommittee consisting solely of its own members, it may choose to do so on a de facto basis by limiting the members entitled to vote on matters relating to that function. Reference herein to the committee with respect to functions delegated to another person, group or subcommittee will be deemed to refer to such person, group or subcommittee.

2.4 Committee Actions. A majority of the members of the committee shall constitute a quorum. The committee may act by the vote of a majority of its members present at a meeting at which there is a quorum or by unanimous written consent. The decision of the committee as to any disputed question arising under the plan or an agreement or other document governing an individual award, including questions of construction, interpretation and administration, shall be final and conclusive on all persons. The committee shall keep a record of

its proceedings and acts and shall keep or cause to be kept such books and records as may be necessary in connection with the proper administration of the plan.

2.5 Indemnification. The Company shall indemnify and hold harmless each member of the board of directors of the committee or of any subcommittee appointed by the board of directors or the committee and any employee of the Company or any of its subsidiaries and affiliates who provides assistance with the administration of the plan or to whom a plan-related responsibility is delegated, from and against any loss, cost, liability (including any sum paid in settlement of a claim with the approval of the board of directors), damage and expense (including reasonable legal fees and other expenses incident thereto and, to the extent permitted by applicable law, advancement of such fees and expenses) arising out of or incurred in connection with the plan, unless and except to the extent attributable to such person's fraud or willful misconduct.

3. Limitations on Company Stock Awards Under the Plan.

3.1 Aggregate Share Limitation. Subject to adjustments required or permitted by the plan, the Company may issue a total of nine million (9,000,000) shares of Common Stock under the plan. For these purposes, the following shares of Common Stock will not be taken into account and will remain available for issuance under the plan: (a) shares covered by awards that expire or are canceled, forfeited, settled in cash or otherwise terminated, (b) shares delivered to the Company and shares withheld by the Company for the payment or satisfaction of purchase price or tax withholding obligations associated with the exercise or settlement of an award, and (c) shares covered by stock-based awards assumed by the Company in connection with the acquisition of another company or business.

3.2 Individual Employee Limitations. In any calendar year, (a) the total number of shares that may be covered by awards made to an individual may not exceed 1,000,000 plus the aggregate amount of such individual's unused annual share limit as of the close of the preceding calendar year, (b) the maximum amount of cash that may be payable to an individual pursuant to performance-based cash awards made under Section 10 of the plan is $5,000,000 plus the aggregate amount of such individual's unused annual dollar limit as of the close of the preceding calendar year.

4. Eligibility to Receive Awards. Awards may be granted under the plan to any present or future director, officer, employee, consultant or adviser of or to the Company or any of its subsidiaries. For purposes of the plan, a subsidiary is any entity in which the Company has a direct or indirect ownership interest of at least 50%.

5. Stock Option Awards.

5.1 General. Stock options granted under the Plan will have such vesting and other terms and conditions as the committee, acting in its discretion in accordance with the Plan, may determine, either at the time the option is granted or, if the holder's rights are not adversely affected, at any subsequent time.

5.2 Minimum Exercise Price. The exercise price per share of Common Stock covered by an option granted under the plan may not be less than 100% of the fair market value

per share on the date the option is granted (110% in the case of "incentive stock options" (within the meaning of Section 422 of the Code) granted to an employee who is a 10% stockholder within the meaning of Section 422(b)(6) of the Code). For purposes of the plan, unless determined otherwise by the committee, the fair market value of a share of Common Stock on any date is the closing sale price per share in consolidated trading of securities listed on the principal national securities exchange or market on which shares of Common Stock are then traded, as reported by a recognized reporting service or, if there is no sale on such date, on the first preceding date on which such shares are traded.

5.3 Limitation on Repricing of Options. Except for adjustments made in accordance with Section 13, the repricing of stock options granted under the plan is prohibited in the absence of stockholder approval.

5.4 Maximum Duration. Unless sooner terminated in accordance with its terms, an option granted under the plan will automatically expire on the tenth anniversary of the date it is granted or, in the case of an "incentive stock option" granted to an employee who is a 10% stockholder, the fifth anniversary of the date it is granted.

5.5 Effect of Termination of Employment or Service. The committee may establish such exercise and other conditions applicable to an option following the termination of the optionee's employment or other service with the Company and its subsidiaries as the committee deems appropriate on a grant-by-grant basis. For purposes of the plan, an individual's employment or service with the Company and its subsidiaries will be deemed to have terminated if such individual is no longer receiving or entitled to receive compensation for providing services to the Company and its subsidiaries.

5.6 Method of Exercise. An outstanding and exercisable option may be exercised by transmitting to the Secretary of the Company (or other person designated for this purpose by the committee) a written notice identifying the option that is being exercised and specifying the number of whole shares to be purchased pursuant to that option, together with payment in full of the exercise price and the withholding taxes due in connection with the exercise, unless and except to the extent that other arrangements satisfactory to the Company have been made for such payment(s). The exercise price may be paid in cash or in any other manner the committee, in its discretion, may permit, including, without limitation, (a) by the delivery of previously-owned shares, (b) by a combination of a cash payment and delivery of previously-owned shares, or (c) pursuant to a cashless exercise program established and made available through a registered broker-dealer in accordance with applicable law. Any shares transferred to the Company (or withheld upon exercise) in connection with the exercise of an option shall be valued at fair market value for purposes of determining the extent to which the exercise price and/or tax withholding obligation is satisfied by such transfer (or withholding) of shares.

5.7 Non-Transferability. No option shall be assignable or transferable except upon the optionee's death to a beneficiary designated by the optionee in a manner prescribed or approved for this purpose by the committee or, if no designated beneficiary shall survive the optionee, pursuant to the optionee's will or by the laws of descent and distribution. During an optionee's lifetime, options may be exercised only by the optionee or the optionee's guardian or

legal representative. Notwithstanding the foregoing, the committee may permit the inter vivos transfer of an option (other than an "incentive stock option") pursuant to a domestic relations order (within the meaning of Rule 16a-12 promulgated under the Exchange Act) in settlement of marital property rights, or by gift to any "family member" (within the meaning of Item A.1.(5) of the General Instructions to Form S-8 or any successor provision), on such terms and conditions as the committee deems appropriate.

5.8 Rights as a Stockholder. No shares of Common Stock shall be issued in respect of the exercise of an option until payment of the exercise price and the applicable tax withholding obligations have been satisfied or provided for to the satisfaction of the Company, and the holder of an option shall have no rights as a stockholder with respect to any shares covered by the option until such shares are duly and validly issued by the Company to or on behalf of such holder.

6. Director Shares.

6.1 The committee may permit non-employee directors to elect to receive all or part of their annual retainers in the form of shares ("Director Shares"). Unless the committee determines otherwise, any such elections may be made during the month a director first becomes a director and during the last month of each calendar quarter thereafter, and shall remain in effect unless and until the end of the calendar quarter in which a new election is made (or, if later, the calendar quarter next following the calendar quarter in which the director first becomes a director). Any such election shall also indicate the percentage of the retainer to be paid in shares and shall contain such other information as the committee or the Board may require.

6.2 The Company shall issue Director Shares on the first trading day of each calendar quarter to all directors on that trading day except any director whose retainer is to be paid entirely in cash. The number of Director Shares issuable to a director on the relevant trading date shall equal:

[% multiplied by (R/4)] divided by P

WHERE:

% = the percentage of the director's retainer that is payable in shares;

R = the director's retainer for the applicable calendar year; and

P = the closing price, as quoted on the principal exchange on which shares are traded, on the date of issuance.

Director Shares shall not include any fractional shares. Fractions shall be rounded to the nearest whole share.

7. Stock Appreciation Rights.

7.1 General. The committee may grant stock appreciation rights ("SARs"), either alone or in connection with the grant of an option, upon such vesting and other terms and

conditions as the committee, acting in its discretion in accordance with the Plan, including, as applicable, Section 5 (relating to options), may determine, either at the time the SARs are granted or, if the holder's rights are not adversely affected, at any subsequent time. Upon exercise, the holder of an SAR shall be entitled to receive a number of whole shares of Common Stock having a fair market value equal to the product of *X* and *Y*, where—

X = the number of whole shares of Common Stock as to which the SAR is being exercised, and

Y = the excess of the fair market value per share of Common Stock on the date of exercise over the fair market value per share of Common Stock on the date the SAR is granted (or such greater base value as the committee may prescribe at the time the SAR is granted).

7.2 Tandem SARs. An SAR granted in tandem with an option shall cover the same shares covered by the option (or such lesser number of shares as the committee may determine) and, unless the committee determines otherwise, shall be subject to the same terms and conditions as the related option. Upon the exercise of an SAR granted in tandem with an option, the option shall be canceled to the extent of the number of shares as to which the SAR is exercised, and, upon the exercise of an option granted in tandem with an SAR, the SAR shall be canceled to the extent of the number of shares as to which the option is exercised.

7.3 Method of Exercise. An outstanding and exercisable SAR may be exercised by transmitting to the Secretary of the Company (or other person designated for this purpose by the committee) a written notice identifying the SAR that is being exercised and specifying the number of shares as to which the SAR is being exercised, together with payment in full of the withholding taxes due in connection with the exercise, unless and except to the extent that other arrangements satisfactory to the Company have been made for such payment. The withholding taxes may be paid in cash or in any other manner the committee, in its discretion, may permit, including, without limitation, (a) by the delivery of previously-owned shares of Common Stock, or (b) by a combination of a cash payment and the delivery of previously-owned shares. The committee may impose such additional or different conditions for exercise of an SAR as it deems appropriate. No fractional shares will be issued in connection with the exercise of an SAR.

7.4 Rights as a Stockholder. No shares of Common Stock shall be issued in respect of the exercise of an SAR until payment of the applicable tax withholding obligations have been satisfied or provided for to the satisfaction of the Company, and the holder of an SAR shall have no rights as a stockholder with respect to any shares issuable upon such exercise until such shares are duly and validly issued by the Company to or on behalf of such holder.

8. Restricted Stock and Deferred Stock Awards.

8.1 General. Under a restricted stock award, shares of Common Stock will be issued by the Company to the recipient at the time of the award. Under a deferred stock award, the recipient will be entitled to receive shares of Common Stock in the future. The shares covered by a restricted stock award and the right to receive shares under a deferred stock award

will be subject to such vesting and other conditions and restrictions as the committee, acting in its discretion in accordance with the plan, may determine.

8.2 Minimum Purchase Price. Unless the committee, acting in accordance with applicable law, determines otherwise, the purchase price payable for shares of Common Stock transferred pursuant to a restricted or deferred stock award must be at least equal to the par value of the shares.

8.3 Issuance of Restricted Stock. Shares of Common Stock issued pursuant to a restricted stock award may be evidenced by book entries on the Company's stock transfer records pending satisfaction of the applicable vesting conditions. If a stock certificate for restricted shares is issued, the certificate will bear an appropriate legend to reflect the nature of the conditions and restrictions applicable to the shares. The Company may require that any or all such stock certificates be held in custody by the Company until the applicable conditions are satisfied and other restrictions lapse. The committee may establish such other conditions as it deems appropriate in connection with the issuance of certificates for restricted shares, including, without limitation, a requirement that the recipient deliver a duly signed stock power, endorsed in blank, for the shares covered by the award.

8.4 Stock Certificates for Vested Stock. The recipient of a restricted or deferred stock award will be entitled to receive a certificate, free and clear of conditions and restrictions (except as may be imposed in order to comply with applicable law), for shares that vest in accordance with the award, subject, however, to the payment or satisfaction of applicable withholding taxes. The delivery of vested shares covered by a deferred stock award may be deferred if and to the extent provided by the terms of the award, subject, however, to the applicable deferral requirements of Section 409A of the Code.

8.5 Rights as a Stockholder. Subject to and except as otherwise provided by the terms of a restricted stock award, the holder of restricted shares of Common Stock will be entitled to receive dividends paid on, and exercise voting rights associated with, such shares as if the shares were fully vested. The holder of a deferred stock award shall no rights as a stockholder with respect to shares covered by a deferred stock award unless and until the award vests and the shares are issued; provided, however, that the committee, in its discretion, may provide for the payment of dividend equivalents on shares covered by a deferred stock award.

8.6 Nontransferability. Neither a restricted or deferred stock award nor restricted shares of Common Stock issued pursuant to any such award may be sold, assigned, transferred, disposed of, pledged or otherwise hypothecated other than to the Company or its designee in accordance with the terms of the award or of the plan, and any attempt to do so shall be null and void and, unless the committee determines otherwise, shall result in the immediate forfeiture of the award or the restricted shares, as the case may be.

8.7 Termination of Service Before Vesting; Forfeiture. Unless the committee determines otherwise, shares of restricted stock and non-vested deferred stock awards will be forfeited upon the recipient's termination of employment or other service with the Company and its subsidiaries. If shares of restricted stock are forfeited, any certificate representing such shares will be canceled on the books of the Company and the recipient will be entitled to receive from

the Company an amount equal to any cash purchase price previously paid for such shares. If a non-vested deferred stock award is forfeited, the recipient will have no further right to receive the shares of Common Stock covered by the non-vested award.

9. Other Equity-Based Awards. The committee may grant dividend equivalent payment rights, phantom shares, bonus shares and other forms of equity-based awards to eligible persons, subject to such terms and conditions as it may establish. Awards made pursuant to this section may entail the transfer of shares of Common Stock to the recipient or the payment in cash or otherwise of amounts based on the value of shares of Common Stock and may include, without limitation, awards designed to comply with or take advantage of applicable tax and/or other laws, provided, that the terms and conditions of any award that is treated as non-qualified deferred compensation must satisfy the applicable deferral requirements of Section 409A of the Code.

10. Performance Awards.

10.1 General. The committee may condition the grant, exercise, vesting or settlement of equity-based awards under the Plan (whether settled in shares of Common Stock or cash or other property) on the achievement of specified performance goals in accordance with this section.

10.2 Objective Performance Goals. A performance goal established in connection with an award covered by this section must be (a) objective, so that a third party having knowledge of the relevant facts could determine whether the goal is met; (b) prescribed in writing by the committee at a time when the outcome is substantially uncertain, but in no event later than the first to occur of (1) the 90th day of the applicable performance period, or (2) the date on which 25% of the performance period has elapsed; and (c) based on any one or more of the following business criteria, applied to an individual, a subsidiary, a business unit or division, the Company and any one or more of its subsidiaries, or such other operating unit(s) as the committee may designate (in each case, subject to the conditions of the performance-based compensation exemption from Section 162(m) of the Code):

(i) earnings per share,

(ii) share price or total shareholder return,

(iii) pre-tax profits,

(iv) net earnings,

(v) return on equity or assets,

(vi) revenues,

(vii) operating income before depreciation, amortization and non-cash compensation expense,

(viii) market share or market penetration, or

(ix) any combination of the foregoing.

The applicable performance goals may be expressed in absolute or relative terms, and must include an objective formula or standard for computing the amount of compensation payable to an employee if the goal is attained. A formula or standard is objective if a third party having knowledge of the relevant performance results could calculate the amount to be paid to the employee. The formula or standard may provide for the payment of a higher or lower amount depending upon whether and the extent to which a performance goal is attained. The committee may not use its discretion to increase the amount of compensation payable that would otherwise be due upon attainment of a performance goal; provided that, subject to the requirements for exemption under Section 162(m) of the Code, the committee may make appropriate adjustments to an award in order to equitably reflect changes in accounting rules, corporate transactions (including, without limitation, dispositions and acquisitions) and other similar types of events or circumstances occurring during the applicable performance period.

10.3 Determination of Amount Payable. Following the expiration of the performance period applicable to an award made under this section, the committee shall determine whether and the extent to which the performance goals have been attained and the amount of compensation, if any, that is payable as a result. The committee must certify in writing prior to payment of the compensation that the performance goals and any other material terms of the award were in fact satisfied. Compensation otherwise payable pursuant to a performance-based award made under this section will be subject to the individual limitations set forth in section 3.2.

11. Capital Changes, Reorganization or Sale of the Company.

11.1 Adjustments Upon Changes in Capitalization. The aggregate number and class of shares issuable under the plan, the total number and class of shares with respect to which awards may be granted to any individual in any calendar year, the number and class of shares and the exercise price per share covered by each outstanding option, the number and class of shares and the base price per share covered by each outstanding SAR, and the number and class of shares covered by each outstanding deferred stock award or other-equity-based award, and any per-share base or purchase price or target market price included in the terms of any such award, and related terms shall be subject to adjustment in order to equitably reflect the effect on issued shares of Common Stock resulting from a split-up, spin-off, recapitalization, consolidation of shares or any similar capital adjustment, and/or to reflect a change in the character or class of shares covered by the plan and an award. For the avoidance of doubt, no adjustments will be required or made under this section in respect of the spin-off of the Company by Clear Channel Communications, Inc.

11.2 Cash, Stock or Other Property for Stock. Except as otherwise provided in this Section, in the event of an Exchange Transaction (as defined below), all option holders shall be permitted to exercise their outstanding options and SARs in whole or in part (whether or not otherwise exercisable) immediately prior to such Exchange Transaction, and any outstanding options and SARs which are not exercised before the Exchange Transaction shall thereupon terminate. Notwithstanding the preceding sentence, if, as part of an Exchange Transaction, the stockholders of the Company receive capital stock of another corporation ("Exchange Stock") in exchange for their shares of Common Stock (whether or not such Exchange Stock is the sole consideration), and if the Company's board of directors, in its sole discretion, so directs, then all

options and SARs for Common Stock that are outstanding at the time of the Exchange Transaction shall be converted into options or SARs (as the case may be) for shares of Exchange Stock. The number of shares of Exchange Stock and the exercise price per share under a converted option will be adjusted such that (a) the ratio of the exercise price per share to the value per share at the time of the conversion (which value will be equal to the consideration payable for each share of Common Stock in the Exchange Transaction) is the same as the ratio of the per share exercise price to the value of per share of Common Stock under the original option; and (b) the aggregate difference between the value of the shares of Exchange Stock and the exercise price under the converted option immediately after the Exchange Transaction is the same as the aggregate difference between the value of the shares of Common Stock and the exercise price under the original option immediately before the Exchange Transaction. Similar adjustments will be made to the number of shares of Exchange Stock and the base value per share covered by SARs that are converted. Unless the Company's board of directors determines otherwise, the vesting and other terms and conditions of the converted options and SARs shall be substantially the same as the vesting and corresponding other terms and conditions of the original options and SARs. The Company' board of directors, acting in its discretion, may accelerate vesting of other non-vested awards, and cause cash settlements and/or other adjustments to be made to any outstanding awards (including, without limitation, options and SARs) as it deems appropriate in the context of an Exchange Transaction, taking into account with respect to other awards the manner in which outstanding options and SARs are being treated.

11.3 Definition of Exchange Transaction. For purposes of the plan, the term "Exchange Transaction" means a merger (other than a merger of the Company in which the holders of Common Stock immediately prior to the merger have the same proportionate ownership of Common Stock in the surviving corporation immediately after the merger), consolidation, acquisition or disposition of property or stock, separation, reorganization (other than a mere reincorporation or the creation of a holding company), liquidation of the Company or any other similar transaction or event so designated by the Company's board of directors in its sole discretion, as a result of which the stockholders of the Company receive cash, stock or other property in exchange for or in connection with their shares of Common Stock.

11.4 Fractional Shares. In the event of any adjustment in the number of shares covered by any award pursuant to the provisions hereof, any fractional shares resulting from such adjustment shall be disregarded, and each such award shall cover only the number of full shares resulting from the adjustment.

11.5 Determination of Board to be Final. All adjustments under this Section shall be made by the Company's board of directors, and its determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

12. Termination and Amendment of the Plan. The board of directors of the Company may terminate the plan at any time or amend the plan at any time and from time to time; provided, however, that:

(a) no such action shall impair or adversely alter any awards theretofore granted under the plan, except with the consent of the recipient or holder, nor shall

any such action deprive any such person of any shares which he or she may have acquired through or as a result of the plan; and

(b) to the extent necessary under applicable law or the requirements of any stock exchange or market upon which the shares of Common Stock may then be listed, no amendment shall be effective unless approved by the stockholders of the Company in accordance with applicable law.

Notwithstanding the foregoing, no incentive stock options may be granted subsequent to the tenth anniversary of the date the plan is adopted. The plan does not have a fixed termination date.

(c) Limitation of Rights. Nothing contained in the plan or in any award agreement shall confer upon any recipient of an award any right with respect to the continuation of his or her employment or other service with the Company or a subsidiary or other affiliate, or interfere in any way with the right of the Company and its subsidiaries and other affiliates at any time to terminate such employment or other service or to increase or decrease, or otherwise adjust, the compensation and/or other terms and conditions of the recipient's employment or other service.

13. Miscellaneous.

13.1 Governing Law. The plan and the rights of all persons claiming under the plan shall be governed by the laws of the State of Delaware, without giving effect to conflicts of laws principles thereof.

13.2 Shares Issued Under Plan. Shares of Common Stock available for issuance under the plan may be authorized and unissued, held by the Company in its treasury or otherwise acquired for purposes of the plan. No fractional shares of Common Stock will be issued under the plan.

13.3 Compliance with Law. The Company will not be obligated to issue or deliver shares of Common Stock pursuant to the plan unless the issuance and delivery of such shares complies with applicable law, including, without limitation, the Securities Act of 1933, as amended, the Exchange Act, and the requirements of any stock exchange or market upon which the Common Stock may then be listed, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

13.4 Transfer Orders; Placement of Legends. All certificates for shares of Common Stock delivered under the plan shall be subject to such stock-transfer orders and other restrictions as the Company may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange or market upon which the Common Stock may then be listed, and any applicable federal or state securities law. The Company may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

13.5 Decisions and Determinations Final. All decisions and determinations made by the Company's board of directors pursuant to the provisions hereof and, except to the extent rights or powers under the Plan are reserved specifically to the discretion of the board of

directors, all decisions and determinations of the committee, shall be final, binding and conclusive on all persons.

13.6 Withholding of Taxes. As a condition to the exercise and/or settlement of any award or the lapse of restrictions on any award or shares, or in connection with any other event that gives rise to a federal or other governmental tax withholding obligation on the part of the Company or a subsidiary with respect to an award, the Company and/or the subsidiary may (a) deduct or withhold (or cause to be deducted or withheld) from any payment or distribution otherwise payable to the award recipient, whether or not such payment or distribution is covered by the plan, or (b) require the recipient to remit cash (through payroll deduction or otherwise) or make other arrangements permitted by the Company, in each case in an amount or of a nature sufficient in the opinion of the Company to satisfy or provide for the satisfaction of such withholding obligation. If the event giving rise to the withholding obligation involves a transfer of shares of Common Stock, then, at the sole discretion of the committee, the recipient may satisfy the withholding obligations associated with such transfer by electing to have the Company withhold shares of Common Stock or by tendering previously-owned shares of Common Stock, in each case having a fair market value equal to the amount of tax to be withheld.

13.7 Disqualifying Disposition. If a person acquires shares of Common Stock pursuant to the exercise of an incentive stock option and the shares so acquired are sold or otherwise transferred in a "disqualifying disposition" (within the meaning of Section 424(c) of the Code) within two-years from the date the option was granted or one year after the option is exercised, such person shall, within ten days of such disposition, notify the Company thereof, by delivery of written notice to the Company at its principal executive office.

13.8 Effective Date. The plan shall become effective on the date it is initially approved and adopted by the Company's board of directors. However, no awards may be made pursuant to the plan after the date preceding the date of the first annual meeting of the Company's stockholders occurring after December 31, 2006, unless the Company's stockholders approve the plan at such meeting.

Exhibit 10.8

CCE SPINCO, INC.
2005 STOCK INCENTIVE PLAN

FORM OF

STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement"), made as of the ___ day of ___, 20___ (the "Grant Date") by and between CCE Spinco, Inc., a Delaware corporation (the "Company"), and «First» «Last» (the "Optionee"), evidences the grant by the Company of an Option to purchase shares of the Company's common stock, $.01 par value (the "Common Stock") to the Optionee on such date and the Optionee's acceptance of this Option in accordance with the provisions of the CCE Spinco, Inc. 2005 Stock Incentive Plan (the "Plan"). The Company and the Optionee agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Optionee an option (the "Option") to purchase ___ shares of Common Stock (the "Option Shares") from the Company at the price per share of $ ___(the "Option Price").

2. Limitations on Exercise of Option. Except as otherwise provided in this Agreement, this Option will vest and become exercisable with respect to [___%] of the shares of Common Stock covered thereby on the ___ anniversary of the Grant Date and with respect to an additional [___%] of the shares of Common Stock covered thereby on the ___ anniversary of the Grant Date and with respect to an additional [___%] of the shares of Common Stock covered thereby on the ___ anniversary of the Grant Date (each a "Vesting Date"); provided, that, the Optionee is still employed or performing services for the Company on each such Vesting Date.

3. Term of Option. Unless sooner terminated in accordance herewith or in the Plan, this Option shall expire on the tenth anniversary of the Grant Date.

4. Method of Exercise.

(a) The Optionee may exercise this Option, from time to time, to the extent then exercisable, by contacting the Company's outside Plan administrator (the "Administrator") and following the procedures established by the Administrator. The Option Price of this Option may be paid in cash or by certified or bank check or in any other manner the Compensation Committee of the Company's Board of Directors (the "Committee"), in its discretion, may permit, including, without limitation, (i) the delivery of previously-owned shares, (ii) by a combination of a cash payment and delivery of previously-owned shares, or (iii) pursuant to a cashless exercise program established and made available through a registered broker-dealer in accordance with applicable law.

(b) At the time of exercise, the Optionee shall pay to the Administrator (or at the option of the Company, to the Company) such amount as the Company deems necessary to

satisfy its obligation to withhold federal, state or local income or other taxes incurred by reason of the exercise of this Option. The Optionee may elect to pay to the Administrator (or at the option of the Company, to the Company) an amount equal to the amount of the taxes which the Company shall be required to withhold by delivering to the Administrator (or at the option of the Company, to the Company), cash, a check or at the sole discretion of the Company, shares of Common Stock having a Fair Market Value equal to the amount of the withholding tax obligation as determined by the Company.

5. Issuance of Shares. Except as otherwise provided in the Plan, as promptly as practical after receipt of notification of exercise and full payment of the Option Price and any required income tax withholding, the Company shall issue or transfer to the Optionee the number of Option Shares with respect to which this Option has been so exercised, and shall deliver to the Optionee or have deposited in the Optionee's brokerage account with the Administrator a certificate or certificates therefor, registered in the Optionee's name.

6. Termination of Employment.

(a) If the Optionee's termination of employment or service is due to death, this Option shall automatically vest and become immediately exercisable in full and shall be exercisable by the Optionee's designated beneficiary, or, if none, the person(s) to whom the Optionee's rights under this Option are transferred by will or the laws of descent and distribution for one year following such termination of employment or service (but in no event beyond the term of the Option), and shall thereafter terminate.

(b) If the Optionee's termination of employment or service is due to Disability (as defined herein), the Optionee shall be treated, for purposes of this Agreement only, as if his/her employment or service continued with the Company for the lesser of (i) five years or (ii) the remaining term of this Option and this Option will continue to vest and remain exercisable during such period (the "Disability Vesting Period"). Upon expiration of the Disability Vesting Period, this Option shall automatically terminate; provided, that, if the Optionee should die during such period, this Option shall automatically vest and become immediately exercisable in full and shall be exercisable by the Optionee's designated beneficiary, or, if none, the person(s) to whom the Optionee's rights under this Option are transferred by will or the laws of descent and distribution for one year following such death (but in no event beyond the term of the Option), and shall thereafter terminate. For purposes of this section, "Disability" shall mean (i) if the Optionee's employment with the Company is subject to the terms of an employment or other service agreement between such Optionee and the Company, which agreement includes a definition of "Disability", the term "Disability" shall have the meaning set forth in such agreement during the period that such agreement remains in effect; and (ii) in all other cases, the term "Disability" shall mean a physical or mental infirmity which impairs the Optionee's ability to perform substantially his or her duties for a period of one hundred eighty (180) consecutive days.

(c) If the Optionee's termination of employment or service is due to Retirement (as defined herein), the Optionee shall be treated, for purposes of this Agreement only, as if his/her employment or service continued with the Company for the lesser of (i) five years or (ii) the remaining term of this Option and this Option will continue to vest and remain

exercisable during such period (the "Retirement Vesting Period"). Upon expiration of the Retirement Vesting Period, this Option shall automatically terminate; provided, that, if the Optionee should die during such period, this Option shall automatically vest and become immediately exercisable in full and shall be exercisable by the Optionee's designated beneficiary, or, if none, the person(s) to whom such Optionee's rights under this Option are transferred by will or the laws of descent and distribution for one year following such death (but in no event beyond the term of the Option), and shall thereafter terminate. For purposes of this section, "Retirement" shall mean the Optionee's resignation from the Company on or after the date on which the sum of his/her (i) full years of age (measured as of his/her last birthday preceding the date of termination of employment or service) and (ii) full years of service with the Company measured from his/her date of hire (or re-hire, if later), is equal at least seventy (70); provided, that, the Optionee must have attained at least the age of sixty (60) and completed at least five (5) full years of service with the Company prior to the date of his/her resignation. Any disputes relating to whether the Optionee is eligible for Retirement under this Agreement, including, without limitation, his years' of service, shall be settled by the Committee in its sole discretion.

(d) If the termination of the Optionee's employment or service is for Cause (as defined herein), this Option shall terminate upon such termination of employment or service, regardless of whether this Option was then exercisable. For purposes of this section, "Cause" shall mean the Optionee's (i) intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in connection with the performance of duties to the Company which transaction is adverse to the interests of the Company and which is engaged in for personal profit or (iv) willful violation of any law, rule or regulation in connection with the performance of duties (other than traffic violations or similar offenses).

(e) If the termination of the Optionee's of employment or service is for any other reason, the unvested portion of this Option, any, shall terminate on the date of termination and the vested portion of this Option shall be exercisable for a period of three-months following such termination of employment or service (but in no event beyond the term of the Option), and shall thereafter terminate. The Optionee's status as an employee shall not be considered terminated in the case of a leave of absence agreed to in writing by the Company (including, but not limited to, military and sick leave); provided, that, such leave is for a period of not more than three-months or re-employment upon expiration of such leave is guaranteed by contract or statute.

(f) Notwithstanding any other provision of this Agreement or the Plan to the contrary, including, without limitation, Sections 7(b) and 7(c) of this Agreement:

(i) If it is determined by the Committee that prior to the date that this Option is fully vested (whether or not during the Disability Vesting Period or the Retirement Vesting Period), the Optionee engaged (or is engaging in) any activity that is harmful to the business or reputation of the Company (or any parent or subsidiary), including, without limitation, any "Competitive Activity" (as defined below) or conduct prejudicial to or in conflict with the Company (or any parent or subsidiary) or any material breach of a contractual obligation to the Company (or any parent or subsidiary) (collectively, "Prohibited Acts"), then, upon such

determination by the Committee, this Option shall be cancelled and cease to be exercisable (whether or not then vested).

(ii) If it is determined by the Committee that the Optionee engaged (or is engaging in) any Prohibited Act where such Prohibited Act occurred or is occurring within the one (1) year period immediately following the exercise of any Option granted under this Agreement, the Optionee agrees that he/she will repay to the Company any gain realized on the exercise of such Option (such gain to be valued as of the relevant exercise date(s)). Such repayment obligation will be effective as of the date specified by the Committee. Any repayment obligation must be satisfied in cash or, if permitted in the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal the gain realized upon exercise of the Option. The Company is specifically authorized to off-set and deduct from any other payments, if any, including, without limitation, wages, salary or bonus, that it may own the Optionee to secure the repayment obligations herein contained.

The determination of whether the Optionee has engaged in a Prohibited Act shall be determined by the Committee in good faith and in its sole discretion. The provisions of this Section shall have no effect following a Change in Control. For purposes of this Agreement, the term "Competitive Activity" shall mean the Optionee, without the prior written permission of the Committee, any where in the world where the Company (or any parent or subsidiary) engages in business, directly or indirectly, (i) entering into the employ of or rendering any services to any person, entity or organization engaged in a business which is directly or indirectly related to the businesses of the Company or any parent or subsidiary ("Competitive Business") or (ii) becoming associated with or interested in any Competitive Business as an individual, partner, shareholder, creditor, director, officer, principal, agent, employee, trustee, consultant, advisor or in any other relationship or capacity other than ownership of passive investments not exceeding 1% of the vote or value of such Competitive Business.

(g) The term "Company" as used in this Agreement with reference to the employment or service of the Optionee shall include the Company and its subsidiaries, as appropriate.

7. Change in Control. Upon the occurrence of a Change in Control (as defined herein), this Option shall become immediately vested and exercisable in full. For the purposes hereof, the term "Change in Control" shall mean a transaction or series of transactions which constitutes an "exchange transaction" within the meaning of the Plan or such other event involving a change in ownership or control of the business or assets of the Company as the Board, acting in its discretion, may determine.

8. Rights as a Stockholder. No shares of Common Stock shall be issued in respect of the exercise of this Option until payment of the exercise price and the applicable tax withholding obligations have been satisfied or provided for to the satisfaction of the Company, and the Optionee shall have no rights as a stockholder with respect to any shares covered by this Option until such shares are duly and validly issued by the Company to or on behalf of the Optionee.

9. Non-Transferability. This Option is not assignable or transferable except upon the Optionee's death to a beneficiary designated by the Optionee in a manner prescribed or approved for this purpose by the Committee or, if no designated beneficiary shall survive the Optionee, pursuant to the Optionee's will or by the laws of descent and distribution. During an Optionee's lifetime, this Option may be exercised only by the Optionee or the Optionee's guardian or legal representative.

10. Limitation of Rights. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to the continuation of his employment or service with the Company, or interfere in any way with the right of the Company at any time to terminate such employment or other service or to increase or decrease, or otherwise adjust, the compensation and/or other terms and conditions of the Optionee's employment or other service.

11. Restrictions on Transfer. The Optionee agrees, by acceptance of this Option, that, upon issuance of any shares hereunder, that, unless such shares are then registered under applicable federal and state securities laws, (i) acquisition of such shares will be for investment and not with a view to the distribution thereof, and (ii) the Company may require an investment letter from the Optionee in such form as may be recommended by Company counsel. The Company shall in no event be obliged to register any securities pursuant to the Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other affirmative action in order to cause the exercise of this Option or the issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority.

12. Notice. Any notice to the Company provided for in this Agreement shall be addressed to it in care of its Secretary at the Company's executive offices, and any notice to the Optionee shall be addressed to the Optionee at the current address shown on the payroll records of the Company. Any notice shall be deemed to be duly given if and when properly addressed and posted by registered or certified mail, postage prepaid.

13. Incorporation of Plan by Reference. This Option is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and this Option shall in all respects be interpreted in accordance with the Plan. The Committee shall interpret and construe the Plan and this Agreement and its interpretations and determinations shall be conclusive and binding on the parties hereto and any other person claiming an interest hereunder, with respect to any issue arising hereunder or thereunder. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control. All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan.

14. Governing Law. This Agreement and the rights of all persons claiming under this Agreement shall be governed by the laws of the State of Delaware, without giving effect to conflicts of laws principles thereof.

15. Tax Status of Option. This Option is [not] intended to be an incentive stock option within the meaning of Section 422 of the Code.

16. Miscellaneous. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be modified other than by written instrument executed by the parties.

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

CCE SPINCO, INC.

Optionee: _____ By: _____

Name:
Title:

Exhibit 10.9

CCE SPINCO, INC.
2005 STOCK INCENTIVE PLAN

FORM OF

RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (the "Agreement"), made as of the ___ day of ___, 20___ (the "Grant Date") by and between CCE Spinco, Inc., a Delaware corporation (the "Company"), and ___(the "Grantee"), evidences the grant by the Company of an award of restricted stock (the "Award") to the Grantee on such date and the Grantee's acceptance of the Award in accordance with the provisions of the CCE Spinco, Inc. 2005 Stock Incentive Plan (the "Plan"). The Company and the Grantee agree as follows:

1. Basis for Award. This Award is made under the Plan pursuant to Section 8 thereof for service rendered or to be rendered to the Company by the Grantee, subject to all of the terms and conditions of this Agreement, including, without limitation, Section 4(b) hereof.

2. Stock Awarded.

(a) The Company hereby awards to the Grantee, in the aggregate, shares of Restricted Stock (the "Restricted Stock") which shall be subject to the restrictions and conditions set forth in the Plan and in this Agreement.

(b) Shares of Restricted Stock shall be evidenced by book-entry registration with the Company's transfer agent, subject to such stop-transfer orders and other terms deemed appropriate by the Compensation Committee of the Company's Board of Directors (the "Committee") to reflect the restrictions applicable to such Award. Notwithstanding the foregoing, if any certificate is issued in respect of shares of Restricted Stock at the sole discretion of the Committee, such certificate shall be registered in the name of Grantee and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such award, substantially in the following form:

> *"THE TRANSFERABILITY OF THIS CERTIFICATE AND THE COMMON STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) CONTAINED IN THE RESTRICTED STOCK AWARD AGREEMENT DATED AS OF ___, 20___, ENTERED INTO BETWEEN THE REGISTERED OWNER AND CCE SPINCO, INC."*

If a certificate is issued with respect to the Restricted Stock, the Committee may require that the certificate evidencing such shares be held in custody by the Company until the restrictions thereon shall have lapsed and that the Grantee deliver a stock power, endorsed in blank, relating to the Shares covered by such Award. At the expiration of the restrictions, the Company shall instruct the transfer agent to release the shares from the restrictions applicable to such Award, subject to the terms of the Plan and applicable law or, in the event that a certificate has been

issued, redeliver to the Grantee (or his legal representative, beneficiary or heir) share certificates for the Shares deposited with it without any legend except as otherwise provided by the Plan, this Agreement or applicable law. During the period that the Grantee holds the shares of Restricted Stock, the Grantee shall have the right to receive dividends on and to vote the Restricted Stock while it is subject to restriction; provided, however, that shares of Common Stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, with respect to the Restricted Stock shall be subject to the transfer and forfeiture restrictions to the same extent as the Restricted Stock. If the Award is forfeited in whole or in part, the Grantee will assign, transfer, and deliver any evidence of the shares of Restricted Stock to the Company and cooperate with the Company to reflect such forfeiture.

(c) In addition to the forfeiture restrictions set forth herein, prior to vesting as provided in Sections 3 and 4(a) of this Agreement, the shares of Restricted Stock may not be sold, assigned, transferred, hypothecated, pledged or otherwise alienated (collectively a "Transfer") by the Grantee and any such Transfer or attempted Transfer, whether voluntary or involuntary, and if involuntary whether by process of law in any civil or criminal suit, action or proceeding, whether in the nature of an insolvency or bankruptcy proceeding or otherwise, shall be void and of no effect.

3. Vesting. Except as otherwise provided in this Agreement, the restrictions described in Section 2 of this Agreement will lapse with respect to 25% of the Restricted Stock on the third anniversary of the Grant Date and as to an additional 25% of the Restricted Stock on the fourth anniversary of the Grant Date and as to an additional 50% of the Restricted Stock on the fifth anniversary of the Grant Date (each a "Vesting Date"); provided, that, the Grantee is still employed or performing services for the Company on each such Vesting Date. In the event of the Grantee's termination of employment or service prior to the date that all of the Restricted Stock is vested, except as otherwise provided in this Agreement, all Restricted Stock still subject to restriction shall be forfeited.

(a) If the Grantee's termination of employment or service is due to death and such death occurs prior to the date that all of the Restricted Stock is vested, all restrictions will lapse with respect to 100% of the Restricted Stock still subject to restriction on the date of death.

(b) If the Grantee's termination of employment or service is due to Disability (as defined herein) or Retirement (as defined herein) and such Disability or Retirement, as the case may be, occurs prior to the date that all of the Restricted Stock is vested, the Grantee shall be treated, for purposes of this Agreement only, as if his/her employment or service continued with the Company until the date that all restrictions on the Restricted Stock have lapsed (the "Extension Period") and such Restricted Stock will vest in accordance with the schedule set forth herein; provided, that, if the Grantee dies during the Extension Period and the Restricted Stock has not been forfeited in accordance with Section 4(b), all restrictions will lapse with respect to 100% of the Restricted Stock still subject to restriction on the date of death. "Disability" shall mean (i) if the Grantee's employment with the Company is subject to the terms of an employment or other service agreement between such Grantee and the Company, which agreement includes a definition of "Disability", the term "Disability" shall have the meaning set forth in such agreement during the period that such agreement remains in effect; and (ii) in all other cases, the term "Disability" shall mean a physical or mental infirmity which impairs the

Grantee's ability to perform substantially his or her duties for a period of one hundred eighty (180) consecutive days. "Retirement" shall mean the Grantee's resignation from the Company on or after the date on which the sum of his/her (i) full years of age (measured as of his/her last birthday preceding the date of termination of employment or service) and (ii) full years of service with the Company (or any parent or subsidiary) measured from his date of hire (or re-hire, if later), is equal at least seventy (70); provided, that, the Grantee must have attained at least the age of sixty (60) and completed at least five (5) full years of service with the Company (or any parent or subsidiary) prior to the date of his/her resignation. Any disputes relating to whether the Grantee is eligible for Retirement under this Agreement, including, without limitation, his years' of service, shall be settled by the Committee in its sole discretion.

(c) If the Grantee's termination of employment or service is for any other reason and such termination occurs prior to the date that all of the Restricted Stock is vested, the Restricted Stock still subject to restriction shall automatically be forfeited upon such cessation of employment or services.

(d) The term "Company" as used in this Agreement with reference to employment or service of the Grantee shall include the Company and its parent and subsidiaries, as appropriate.

4. Special Rules.

(a) Change in Control. In the event of a Change in Control, the restrictions described in Sections 2 and 3 of this Agreement will lapse with respect to 100% of the Restricted Stock still subject to restriction. For the purposes hereof, the term "Change in Control" shall mean a transaction or series of transactions which constitutes an "exchange transaction" within the meaning of the Plan or such other event involving a change in ownership or control of the business or assets of the Company as the Board, acting in its discretion, may determine.

(b) Forfeiture.

(i) Notwithstanding the provisions of Section 3 of this Agreement and any other provision of this Agreement or the Plan to the contrary, if it is determined by the Committee that prior to the date that all of the Restricted Stock is vested (whether or not during the Extension Period), the Grantee engaged (or is engaging in) any activity that is harmful to the business or reputation of the Company (or any parent or subsidiary), including, without limitation, any "Competitive Activity" (as defined below) or conduct prejudicial to or in conflict with the Company (or any parent or subsidiary) or any material breach of a contractual obligation to the Company (or any parent or subsidiary) (collectively, "Prohibited Acts"), then, upon such determination by the Committee, all Restricted Stock granted to the Grantee under this Agreement which is still subject to restriction shall be cancelled and forfeited.

(ii) Notwithstanding any other provision of this Agreement or the Plan to the contrary, if it is determined by the Committee that the Grantee engaged (or is engaging in) any Prohibited Act where such Prohibited Act occurred or is occurring within the one (1) year period immediately following the vesting of any Restricted Stock under this Agreement (including, without limitation, vesting that occurs by application of Section 3(b) of this

Agreement), the Grantee agrees that he/she will repay to the Company any gain realized on the vesting of such Restricted Stock (such gain to be valued as of the relevant Vesting Date(s) based on the Fair Market Value of the Restricted Stock on the relevant Vesting Date(s) over the purchase price paid, if any, of such stock). Such repayment obligation will be effective as of the date specified by the Committee. Any repayment obligation must be satisfied in cash or, if permitted in the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal the value of the Restricted Stock on the relevant Vesting Date(s). The Company is specifically authorized to off-set and deduct from any other payments, if any, including, without limitation, wages, salary or bonus, that it may own the Grantee to secure the repayment obligations herein contained.

(iii) The determination of whether the Grantee has engaged in a Prohibited Act shall be determined by the Committee in good faith and in its sole discretion.

(iv) The provisions of this Section 4(b) shall have no effect following a Change in Control.

(v) For purposes of this Agreement, the term "Competitive Activity" shall mean the Grantee, without the prior written permission of the Committee, any where in the world where the Company (or any parent or subsidiary) engages in business, directly or indirectly, (A) entering into the employ of or rendering any services to any person, entity or organization engaged in a business which is directly or indirectly related to the businesses of the Company or any parent or subsidiary ("Competitive Business") or (B) becoming associated with or interested in any Competitive Business as an individual, partner, shareholder, creditor, director, officer, principal, agent, employee, trustee, consultant, advisor or in any other relationship or capacity other than ownership of passive investments not exceeding 1% of the vote or value of such Competitive Business.

5. Compliance with Laws and Exchange Requirements. The issuance and transfer of any shares of Common Stock shall be subject to compliance by the Company and the Grantee with all applicable requirements of securities laws and with all applicable requirements of any stock exchange on which the shares may be listed at the time of such issuance or transfer. The Grantee understands that the Company is under no obligation to register or qualify the shares of Common Stock with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

6. Tax Withholding.

(a) The Grantee agrees that, subject to clause 6(b) below, no later than the date as of which the restrictions on the Restricted Stock shall lapse with respect to all or any of the Restricted Stock covered by this Agreement, the Grantee shall pay to the Company (in cash or to the extent permitted by the Committee in its sole discretion, shares of Common Stock held by the Grantee whose Fair Market Value is equal to the amount of the Grantee's tax withholding liability) any federal, state or local taxes of any kind required by law to be withheld, if any, with respect to the Restricted Stock for which the restrictions shall lapse. The Company or its subsidiaries shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Grantee any federal, state or local taxes of any kind required by

law to be withheld with respect to the shares of Restricted Stock. The Company may refuse to instruct the transfer agent to release the shares of Common Stock or redeliver share certificates if the Grantee fails to comply with any withholding obligation.

(b) If the Grantee properly elects, within thirty (30) days of the Grant Date, to include in gross income for federal income tax purposes an amount equal to the Fair Market Value as of the Grant Date of the Restricted Stock granted hereunder pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, the Grantee shall pay to the Company, or make other arrangements satisfactory to the Committee to pay to the Company, any federal, state or local taxes required to be withheld with respect to such shares. If the Grantee fails to make such payments, the Company or its affiliates shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to the Grantee any federal, state or local taxes of any kind required by law to be withheld with respect to such Shares. The Company may refuse to instruct the transfer agent to release the shares or redeliver share certificates if Grantee fails to comply with any withholding obligation.

7. Limitation of Rights. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to the continuation of his employment or service with the Company, or interfere in any way with the right of the Company at any time to terminate such employment or other service or to increase or decrease, or otherwise adjust, the compensation and/or other terms and conditions of the Grantee's employment or other service.

8. Representations and Warranties of Grantee. The Grantee represents and warrants to the Company that:

(a) Agrees to Terms of the Plan. The Grantee has received a copy of the Plan and the Prospectus prepared pursuant to the Form S-8 Registration Statement relating to the Plan and has read and understands the terms of the Plan, this Agreement and the Prospectus, and agrees to be bound by their terms and conditions. The Grantee acknowledges that there may be adverse tax consequences upon the vesting of Restricted Stock or disposition of the Shares once vested, and that the Grantee should consult a tax adviser prior to such time.

(b) Cooperation. The Grantee agrees to sign such additional documentation as may reasonably be required from time to time by the Company.

9. Incorporation of Plan by Reference. The Award is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and the Award shall in all respects be interpreted in accordance with the Plan. The Committee shall interpret and construe the Plan and this Agreement and its interpretations and determinations shall be conclusive and binding on the parties hereto and any other person claiming an interest hereunder, with respect to any issue arising hereunder or thereunder. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control. All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan.

10. Governing Law. This Agreement and the rights of all persons claiming under this Agreement shall be governed by the laws of the State of Delaware, without giving effect to conflicts of laws principles thereof.

11. Miscellaneous. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be modified other than by written instrument executed by the parties.

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

CCE SPINCO, INC.

Grantee: _____ By: _____

Name:
Title:

Exhibit 10.10

CCE SPINCO, INC.
2006 ANNUAL INCENTIVE PLAN

1. Purpose. The purpose of the plan is to provide performance-based incentive compensation to executive officers and other selected key executives of CCE SPINCO, Inc. (the "Company") and its subsidiaries, which, as applicable, will not be subject to the executive compensation deduction limitations of Section 162(m) of the Internal Revenue Code of 1986 (the "Code").

2. Administration.

2.1 The Committee. The plan will be administered by the compensation committee of the Company's board of directors, or a committee of such other persons as the board of directors may appoint. Unless the board of directors determines otherwise, the members of the committee must be "outside directors" for purposes of 162(m) of the Code.

2.2 Responsibility and Authority of the Committee. Subject to the provisions of the plan, the committee, acting in its discretion, will have responsibility and authority to (a) select the individuals who may participate in the plan, (b) prescribe the terms and conditions of each participant's award and make amendments thereto, (c) determine whether and the extent to which performance goals have been met, (d) construe, interpret and apply the provisions of the plan and of any agreement or other document evidencing an award made under the plan, and (e) make any and all determinations and take any and all other actions as it deems necessary or desirable in order to carry out the terms of the plan. In exercising its responsibilities, the committee may obtain at the Company's expense such advice, guidance and other assistance from outside compensation consultants and other professional advisers as it deems appropriate. The decision of the committee regarding any disputed question, including questions of construction, interpretation and administration, shall be final and conclusive on all persons.

2.3 Manner of Exercise of Committee Authority. The Committee may delegate responsibilities with respect to the administration of the Plan to one or more officers of the Company or any of its subsidiaries, to one or more members of the Committee or to one or more members of the Board; provided, however, that the Committee may not delegate its responsibility if and to the extent such delegation would cause an award to fail to constitute "qualified performance-based compensation" under Section 162(m) of the Code. The committee may also appoint agents to assist in the day-to-day administration of the Plan and may delegate the authority to execute documents under the plan to one or more members of the committee or to one or more officers of the Company.

2.4 Indemnification. The Company shall indemnify and hold harmless each member of the board of directors and of the committee or any employee of the Company or any of its subsidiaries and affiliates who provides assistance with the administration of the plan or to whom a plan-related responsibility is delegated from and against any loss, cost, liability (including any sum paid in settlement of a claim with the approval of the board of directors), damage and expense (including reasonable legal fees and other expenses incident thereto and, to the extent permitted by applicable law, advancement of such fees and expenses) arising out of or incurred

in connection with the plan, unless and except to the extent attributable to such person's fraud or willful misconduct.

3. Performance-Based Compensation Opportunities.

3.1 General. Each award made under the plan will represent the right to receive incentive compensation upon the achievement of one or more performance objectives that are established by the committee and communicated to the recipient of the award by the 90th day of the applicable performance period or, if earlier, before 25% of the applicable performance period has elapsed. The committee will determine the performance period applicable to an award. Subject to the requirements of the plan and applicable law, each award will contain such other terms and conditions as the committee, acting in its discretion, may prescribe.

3.2 Performance Criteria. Performance objectives may be based upon any one or more of the following criteria: revenue growth, operating income before depreciation and amortization and non-cash compensation expense ("OIBDAN"), OIBDAN growth, funds from operations, funds from operations per share and per share growth, cash available for distribution, cash available for distribution per share and per share growth, operating income and operating income growth, net earnings, earnings per share and per share growth, return on equity, return on assets, share price performance on an absolute basis and relative to an index, improvements in attainment of expense levels, implementing or completion of critical projects, or improvement in cash-flow (before or after tax).

3.3 Performance Objectives. The amount, if any, payable to a participant with respect to an award will depend upon whether and the extent to which the performance objective(s) of the award are achieved during the applicable performance period. Performance objectives may be established on a periodic, annual, cumulative or average basis and may be established on a corporate-wide basis and/or with respect to operating units, divisions, subsidiaries, acquired businesses, minority investments, partnerships or joint ventures. The committee may establish different levels of payment under an award to correspond with different levels of achievement of performance objectives specified in the award. Awards may contain more than one performance objective; and performance objectives may be based upon multiple performance criteria. Multiple performance objectives contained in an award may be aggregated, weighted, expressed in the alternative or otherwise specified by the committee. The level or levels of performance specified with respect to a performance objective may be expressed in absolute terms, as objectives relative to performance in prior periods, as an objective compared to the performance of one or more comparable companies or an index covering multiple companies, or otherwise as the committee may determine. Notwithstanding anything to the contrary contained in the plan, the performance objectives under any award must be objective and must otherwise meet the requirements of Section 162(m) of the Code.

3.4 Adjustments. The committee may reduce or eliminate an award made under the plan for any reason, including, without limitation, changes in the position or duties of a participant during or after a performance period, whether due to termination of employment (including death, disability, retirement, voluntary termination or termination with or without cause) or otherwise. In addition, to the extent necessary to preserve the intended economic effects of the plan and individual awards, the committee may make appropriate adjustments to

the performance objectives and other terms of an award to properly reflect (a) a change in corporate capitalization; (b) a material or extraordinary corporate transaction involving the Company or a subsidiary, including, without limitation, a merger, consolidation, reorganization, spin-off, or the sale of a subsidiary or of the assets of a business or division (whether or not such transaction constitutes a reorganization within the meaning of Section 368(a) of the Code); (c) a partial or complete liquidation of the Company or a subsidiary, or (d) a change in accounting or other relevant rules or regulations; provided, however, that no adjustment hereunder shall be authorized or made if and to the extent that the authority to make or the making of such adjustment would cause an award to fail to satisfy the requirements for "qualified performance-based compensation" under Section 162(m) of the Code.

3.5 Certification. Following the completion of the performance period applicable to an award, the committee shall determine and shall certify in writing whether and the extent to which the performance objective(s) under the award have been achieved, as well as the amount, if any, payable to the participant as a result of such achievement(s), which determination(s) and certification(s) shall be subject to and shall be made in accordance with the requirements of Section 162(m) of the Code.

3.6 Payment of Amounts Earned. Subject to such deferral and/or other conditions as may be permitted or required by the committee, amounts earned under an award will be paid or distributed as soon as practicable following the committee's determination and certification of such amounts.

3.7 Maximum Annual Amount Payable to a Participant. Notwithstanding anything to the contrary contained herein, no individual may earn more than $15,000,000 in any calendar year pursuant to an award made to such individual under the plan.

4. Termination of Employment; Death. Unless the committee determines otherwise, no amount will be payable under an award made to a participant whose employment with the Company and its subsidiaries terminates (for any reason other than death) before the payment date of such award. If a participant dies before receiving payment of an amount earned under the plan, such payment will be made to the deceased participant's designated beneficiary, if any, or, if none, to the deceased participant's estate. No beneficiary designation shall be effective unless it is in writing and received by the committee prior to the participant's death, and any such designation will supersede and be deemed a revocation of any prior beneficiary designation made by the participant.

5. Withholding Taxes. All amounts payable pursuant to the settlement of an award made under the plan are subject to applicable tax withholding. The Company and its subsidiaries shall withhold funds (or other property) from the payment of any such award and shall be entitled to take such other action with respect to other amounts that are or may become payable to the participant as may be necessary or appropriate in order to enable the Company and its subsidiaries to satisfy such tax withholding requirements.

6. No Implied Rights Afforded to Participants. No award and nothing contained in the plan or in any document relating to the plan shall confer upon an eligible employee or participant any right to continue as an employee of the Company or a subsidiary or constitute a contract or

agreement of employment, or interfere in any way with the right of the Company and its subsidiaries to reduce such person's compensation, to change the position held by such person or to terminate such person's employment, with or without cause.

7. Non-transferability. No interest in or under an award made or a payment due or to become due under the plan may be assigned, transferred or otherwise alienated other than by will or the laws of descent and distribution, and any attempted assignment, alienation, sale, transfer, pledge, encumbrance, charge or other alienation of any such interest shall be void and unenforceable.

8. Amendment and Termination. The board of directors of the Company or the committee may amend the plan at any time and from time to time. Any such amendment may be made without approval of the Company's stockholders unless and except to the extent such approval is required in order to satisfy the stockholder approval requirements of Section 162(m) of the Code. The Company's board of directors may terminate the plan.

9. Unfunded Status of Awards. The plan is intended to constitute a bonus plan and not a pension other employee benefit plan or purposes of ERISA. The right of a participant (or beneficiary) to receive payment(s) under a plan award will constitute and be equivalent to the right of a general unsecured creditor of the Company (or the subsidiary by whom the participant is or was employed, as the case may be), whether or not a trust is created and funded in order to facilitate the payment of amounts due or to become due under the plan (including, for this purpose, any deferral arrangement made with respect to any such payment).

10. Miscellaneous.

10.1 Governing Law. The plan and any award made under the plan will be subject to and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

10.2 Section 162(m) of the Code. It is intended that amounts payable pursuant to awards made under the plan will constitute "qualified performance based compensation" and thus be exempt from the annual $1 million limitation on the deductibility of executive compensation. The plan and each award made under the plan will be interpreted, construed and applied accordingly.

10.3 Effective Date. The plan is effective as of January 1, 2006. The plan will terminate on the date of the first annual meeting of the Company's stockholders following December 31, 2006, unless the plan is approved by the Company's stockholders at such meeting. The performance criteria specified in the plan shall be re-submitted for stockholder approval as and when required by Treasury Department regulations in order to ensure compliance with the stockholder approval requirements of Section 162(m) of the Code on an ongoing basis.

Exhibit 10.11

CREDIT AGREEMENT

dated as of

December 21, 2005

among

CCE SPINCO, INC.,

SFX ENTERTAINMENT, INC. and
THE FOREIGN BORROWERS PARTY HERETO,
as Borrowers,

THE LENDERS PARTY HERETO,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent,

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as Canadian Agent,

J.P. MORGAN EUROPE LIMITED,
as London Agent,

and

BANK OF AMERICA, N.A.,
as Syndication Agent

J.P. MORGAN SECURITIES INC. BANC OF AMERICA SECURITIES LLC
as Co-Lead Arrangers and Joint Bookrunners

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CREDIT AGREEMENT dated as of December 21, 2005 (this "Agreement"), among CCE SPINCO, INC., SFX ENTERTAINMENT, INC., the FOREIGN BORROWERS party hereto, the LENDERS party hereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Canadian Agent, J.P. MORGAN EUROPE LIMITED, as London Agent, and BANK OF AMERICA, N.A., as Syndication Agent.

WHEREAS, Clear Channel Communications, Inc., a Texas corporation ("CCU") and the owner of all of the issued and outstanding capital stock of CCE Spinco, Inc., a Delaware corporation ("Parent"), will effect a spin-off (the "Spin-Off") of its live entertainment and live entertainment-related businesses (collectively, the "Business") through (a) the contribution of assets and subsidiaries relating to the Business to Parent and/or one or more Subsidiaries and (b) the distribution of 100% of the shares of common stock of Parent to the holders of common stock of CCU, as described in the Information Statement attached as an exhibit to the Form 10 filed by Parent with the Securities and Exchange Commission on October 18, 2005 (as amended from time to time prior to the consummation of the Spin-Off, the "Form 10").

WHEREAS, on or prior to the Effective Date, (a) each Loan Party shall execute and deliver the Loan Documents to which it is a party, the Term Loans shall be made, and certain Letters of Credit shall be issued, (b) CCE Holdco #2, Inc., a Delaware corporation ("Holdco #2") that is an indirect wholly owned subsidiary of Parent and that will become the owner of all of the issued and outstanding capital stock of the US Borrower, will issue shares of its Series A redeemable preferred stock (the "Series A Preferred Stock") with an aggregate liquidation preference of US$20,000,000 to third-party investors for aggregate net cash proceeds to Holdco #2 of not less than US$20,000,000, (c) Holdco #2 will issue shares of its Series B redeemable preferred stock (the "Series B Preferred Stock" and, together with the Series A Preferred Stock, the "Preferred Stock") with an aggregate liquidation preference of US$20,000,000 to Parent in exchange for the capital stock of the US Borrower and (d) Parent, the Borrowers and the other Subsidiaries will apply a portion of the proceeds of the Term Loans and the issuance of the Series A Preferred Stock to (i) repay approximately US$220,000,000 of outstanding intercompany indebtedness owed by Parent, the Borrowers and the other Subsidiaries (the "Intercompany Debt Repayment") and (ii) pay fees and expenses incurred in connection with the foregoing (the "Transaction Costs"). The transactions described in clauses (a) through (d) of the immediately preceding sentence are collectively referred to herein as the "Transactions".

WHEREAS, in connection with the foregoing, the Borrowers have requested that the Lenders extend credit in the form of Term Loans, Revolving Loans and B/As and the Issuing Banks issue Letters of Credit, in each case in the manner and subject to the conditions set forth herein.

NOW, THEREFORE, in connection therewith, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Act" has the meaning set forth in Section 9.16.

"Adjusted Eurocurrency Rate" means, (a) with respect to any Eurocurrency Borrowing for any Interest Period that is denominated in US Dollars, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (i) the LIBO Rate for such Interest Period multiplied by (ii) the Statutory Reserves and (b) with respect to any Eurocurrency Borrowing for any Interest Period that is denominated in a Foreign Currency, an interest rate per annum equal to (i) for any Eurocurrency Borrowing denominated in Euros, the EURIBO Rate or (ii) for any other Eurocurrency Borrowing, the LIBO Rate, in each case in effect for such Interest Period and subject to Section 2.22.

"Administrative Agent" means JPMCB, in its capacity as administrative agent for the Lenders hereunder, or any successor thereto appointed in accordance with Article VIII.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means, collectively, the Administrative Agent, the Canadian Agent, the London Agent, the Collateral Agent and any other affiliate of the Administrative Agent appointed in accordance with Article VIII.

"Agreement" has the meaning set forth in the preamble hereto.

"Agreement Currency" has the meaning set forth in Section 9.15

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Agent" means (a) with respect to a Loan or Borrowing denominated in US Dollars or a Letter of Credit denominated in US Dollars or any Foreign Currency, or with respect to any payment that does not relate to any Loan, Borrowing or Letter of Credit, the Administrative Agent, (b) with respect to a Loan or Borrowing denominated in Canadian Dollars or a B/A, the Canadian Agent and (c) with respect to a Loan or Borrowing denominated in any other Foreign Currency, the London Agent.

"Applicable Creditor" has the meaning set forth in Section 9.15.

"Applicable Percentage" means, with respect to any Participating Revolving Lender, the percentage of the total Participating Revolving Commitments represented by such Lender's Participating Revolving Commitment. If the Participating Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Participating Revolving Commitments most recently in effect, giving effect to any assignments.

"Applicable Rate" means, for any day (a) with respect to any Term Loan, (i) 1.25% per annum, in the case of an ABR Loan, or (ii) 2.25% per annum, in the case of a Eurocurrency Loan, and (b) with respect to any ABR Revolving Loan or Canadian Base Rate Revolving Loan, Eurocurrency Revolving Loan or B/A Drawing, or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption "ABR and Canadian Base Rate Spread", "Eurocurrency and B/A Spread" or "Commitment Fee Rate", as the case may be, based upon the Leverage Ratio as of the most recent determination date, provided that until the delivery of Parent's consolidated financial statements as of, and for the periods ending on December 31, 2005, pursuant to Section 5.01(a), the "Applicable Rate" for purposes of clause (b) shall be the applicable rate per annum set forth below in Category 6:

	Leverage Ratio:	ABR and Canadian Base Rate Spread	Eurocurrency and B/A Spread	Commitment Fee Rate
Category 1	Less than or equal to 1.25 to 1.00	0.000%	0.750%	0.250%
Category 2	Less than or equal to 1.75 to 1.00 but greater than 1.25 to 1.00	0.000%	1.000%	0.250%
Category 3	Less than or equal to 2.25 to 1.00 but greater than 1.75 to 1.00	0.250%	1.250%	0.250%
Category 4	Less than or equal to 2.75 to 1.00 but greater than 2.25 to 1.00	0.500%	1.500%	0.250%
Category 5	Less than 3.00 to 1.00 but greater than 2.75 to 1.00	0.750%	1.750%	0.250%
Category 6	Greater than or equal to 3.00 to 1.00	0.750%	1.750%	0.375%

For purposes of the foregoing, (i) the Leverage Ratio shall be determined as of the end of each fiscal quarter of Parent's fiscal year based upon Parent's consolidated financial statements delivered pursuant to Section 5.01(a) or (b) and (ii)

each change in the Applicable Rate resulting from a change in the Leverage Ratio shall be effective during the period commencing on and including the Business Day following the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change, provided that the Leverage Ratio shall be deemed to be in Category 6 (A) at any time that an Event of Default has occurred and is continuing or (B) at the option of the Administrative Agent or at the request of the Required Lenders if Parent fails to timely deliver the consolidated financial statements required to be delivered by it pursuant to Section 5.01(a) or (b), during the period from the last day on which such statements are permitted to be delivered in conformity with Section 5.01(a) or (b), as the case may be, until such consolidated financial statements are delivered.

"Approved Fund" has the meaning assigned to such term in Section 9.04.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

"B/A" means a bill of exchange, including a depository bill issued in accordance with the Depository Bills and Notes Act (Canada), denominated in Canadian Dollars, drawn by a Canadian Borrower and accepted by a Revolving Lender in accordance with the terms of this Agreement.

"B/A Drawing" means B/As accepted and purchased on the same date and as to which a single Contract Period is in effect including any B/A Equivalent Loans accepted and purchased on the same date and as to which a single Contract Period is in effect. For greater certainty, all provisions of this Agreement which are applicable to B/As are also applicable, mutatis mutandis, to B/A Equivalent Loans.

"B/A Equivalent Loan" has the meaning set forth in Section 2.20(k).

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrowers" means, collectively, the US Borrower and the Foreign Borrowers.

"Borrowing" means (a) Loans of the same Class and Type, made, converted or continued on the same date, denominated in the same currency and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect, or (b) a Swingline Loan.

"Borrowing Minimum" means (a) in the case of a Borrowing denominated in US Dollars, US$5,000,000 and (b) in the case of a Borrowing denominated in any Foreign Currency, the smallest amount of such Foreign Currency that is a multiple of 1,000,000 units of such currency that has a US Dollar Equivalent in excess of US$5,000,000.

"Borrowing Multiple" means (a) in the case of a Borrowing denominated in US Dollars, US$1,000,000 and (b) in the case of a Borrowing denominated in any Foreign Currency, 1,000,000 units of such currency.

"Borrowing Request" means a request by a Borrower for a Borrowing in accordance with Section 2.03.

"Business" has the meaning set forth in the recitals hereto.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, provided that (a) when used in connection with a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the applicable currency in the London interbank market, (b) when used in connection with a Loan denominated in Euros, the term "Business Day" shall also exclude any day on which the TARGET payment system is not open for the settlement of payments in Euros, (c) when used in connection with a Loan denominated in Canadian Dollars or a B/A, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in Canadian Dollars in Toronto and (d) when used in connection with a Loan denominated in any Foreign Currency other than Euros and Canadian Dollars, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the applicable currency in the principal financial center of the country of such currency.

"Calculation Date" means (a) the last Business Day of each calendar quarter and (b) solely with respect to any Foreign Currency for a requested new Borrowing for which an Exchange Rate was not established on the immediately preceding Calculation Date, (i) in the case of Canadian Base Rate Borrowings or B/As, the Business Day immediately preceding the date on which such Borrowing is to be made and (ii) in the case of other Borrowings, the third Business Day preceding the date on which such Borrowing is to be made, provided that the Administrative Agent may in addition designate the last day of any other month as a Calculation Date if it reasonably determines that there has been significant volatility in the foreign currency markets.

"CAM" means the mechanism for the allocation and exchange of interests in Loans and other extensions of credit under this Agreement and collections thereunder established in Section 7.02.

"CAM Exchange" has the meaning set forth in Section 7.02(a).

"CAM Exchange Date" means the first date on which there shall occur (a) any Event of Default referred to in Section 7.01(h) or (i) in respect of any Borrower or (b) an acceleration of Loans pursuant to Section 7.01.

"CAM Percentage" means, as to each Lender, a fraction, expressed as a decimal, of which (a) the numerator shall be the aggregate US Dollar Equivalent (determined on the basis of Exchange Rates prevailing on the CAM Exchange Date) of the Designated Obligations owed to such Lender (whether or not at the time due and

payable) immediately prior to the CAM Exchange Date and (b) the denominator shall be the aggregate US Dollar Equivalent (determined on the basis of Exchange Rates prevailing on the CAM Exchange Date) of the Designated Obligations owed to all the Lenders (whether or not at the time due and payable) immediately prior to the CAM Exchange Date.

"Canadian Agent" means JPMorgan Chase Bank, N.A., Toronto Branch, in its capacity as Canadian agent for the Lenders hereunder, or any successor thereto appointed in accordance with Article VIII.

"Canadian Base Rate" means, for any day, the rate of interest per annum (rounded upwards, if necessary, to the next 1/100 or 1%) equal to the greater of (a) the interest rate per annum publicly announced from time to time by the Canadian Agent as its reference rate in effect on such day at its principal office in Toronto for determining interest rates applicable to commercial loans denominated in Canadian Dollars in Canada (each change in such reference rate being effective from and including the date such change is publicly announced as being effective) and (b) the interest rate per annum equal to the sum of (i) the CDOR Rate on such day (or, if such rate is not so reported on the Reuters Screen CDOR Page, the average of the rate quotes for bankers' acceptances denominated in Canadian Dollars with a term of 30 days received by the Canadian Agent at approximately 10:00 a.m., Toronto time, on such day (or, if such day is not a Business Day, on the next preceding Business Day) from one or more banks of recognized standing selected by it) and (ii) 0.50% per annum.

"Canadian Borrower" means the US Borrower or any Subsidiary that is incorporated or otherwise organized under the laws of Canada or any political subdivision thereof that has been designated as a Foreign Borrower pursuant to Section 2.23 and that has not ceased to be a Foreign Borrower as provided in such Section.

"Canadian Dollars" or "C$" means the lawful money of Canada.

"Canadian Lending Office" means, as to any Revolving Lender, the applicable branch, office or Affiliate of such Revolving Lender designated by such Revolving Lender to make Loans in Canadian Dollars and to accept and purchase or arrange for the purchase of B/As.

"Capital Expenditures" means, for any period, (a) the additions to property, plant and equipment and other capital expenditures of Parent and its consolidated Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of Parent for such period prepared in accordance with GAAP and (b) Capital Lease Obligations incurred by Parent and its consolidated Subsidiaries during such period.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such

Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CCU" has the meaning set forth in the recitals hereto.

"CDOR Rate" means, on any date, an interest rate per annum equal to the average discount rate applicable to bankers' acceptances denominated in Canadian Dollars with a term of 30 days (for purposes of the definition of the term "Canadian Base Rate") or with a term equal to the Contract Period of the relevant B/As (for purposes of the definition of the term "Discount Rate") appearing on the Reuters Screen CDOR Page (or on any successor or substitute page of such Screen, or any successor to or substitute for such Screen, providing rate quotations comparable to those currently provided on such page of such Screen, as determined by the Canadian Agent from time to time) at approximately 10:00 a.m., Toronto time, on such date (or, if such date is not a Business Day, on the next preceding Business Day).

"Change of Control" means (a) the acquisition of ownership, directly or indirectly, beneficially, by any Person or group (within the meaning of the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder but excluding any employee benefit plan of such Person or its subsidiaries, and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of such plan), of securities representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding securities of Parent; (b) if, during any period of up to 12 consecutive months, commencing on the Effective Date, individuals who at the beginning of such period (together with any new directors whose election or whose nomination for election by the stockholders was approved by a vote of 66- 2/3% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination was previously so approved) were directors of Parent shall cease for any reason to constitute a majority of the Board of Directors of Parent; (c) any other event that constitutes a "change of control" or similar event with respect to Parent, however denominated, under any other agreement or instrument evidencing or governing any Material Indebtedness or (d) the US Borrower ceasing to be a wholly owned Subsidiary of Parent.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Charges" has the meaning set forth in Section 9.13.

"Class", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Limited Currency

Revolving Loans, Multicurrency Revolving Loans, US Dollar Revolving Loans, Term Loans or Swingline Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Limited Currency Revolving Commitment, Multicurrency Revolving Commitment, US Dollar Revolving Commitment or Term Commitment.

"Class", when used in reference to any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class.

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

"Collateral" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"Collateral Agent" means JPMCB, in its capacity as collateral agent for the Lenders hereunder, or any successor thereto appointed in accordance with Article VIII.

"Collateral and Guarantee Requirement" means, at any time, the requirement that:

(a) the Administrative Agent shall have received each Security Document, duly executed by each Loan Party required to be party thereto in order that the requirements set forth in clauses (b) and (c) below shall be satisfied;

(b) (i) all Obligations shall be unconditionally guaranteed (the "US Guarantees") by Parent and the Material Subsidiaries that are Domestic Subsidiaries (the "US Guarantors"), and (ii) all Foreign Obligations shall be unconditionally guaranteed (the "Foreign Guarantees" and, together with the US Guarantees, the "Obligations Guarantees") by the Material Subsidiaries that are Foreign Subsidiaries (the "Foreign Guarantors" and, together with the US Guarantors, the "Obligations Guarantors");

(c) (i) the Obligations and the US Guarantees shall have been secured by a first-priority security interest in (A) all the Equity Interests held by each US Guarantor, provided that pledges of Equity Interests of each Foreign Subsidiary shall be limited to 66.5% of the Equity Interests of such Foreign Subsidiary to the extent that the pledge of any greater percentage would result in adverse tax consequences and (B) substantially all tangible and intangible assets of each US Guarantor, including, accounts, inventory, equipment, commercial tort claims, intellectual property, intercompany indebtedness, general intangibles, cash and proceeds of the foregoing, but excluding the Excluded Assets of each US Guarantor (collectively, the "US Collateral"), and (ii) the Foreign Obligations and the Foreign Guarantees shall have been secured by a first-priority security interest in (X) all the Equity Interests held by each Foreign Guarantor and (Y) substantially all tangible and intangible assets of each Foreign Guarantor, including accounts, inventory, equipment, commercial tort claims, intellectual property, intercompany indebtedness, general intangibles, cash and proceeds of the foregoing, but excluding the Excluded Assets of each Foreign Guarantor (collectively, the "Foreign Collateral" and, together with the US Collateral, the "Collateral");

(d) none of the Collateral shall be subject to any Lien other than Liens permitted under Section 6.02;

(e) the Administrative Agent shall have received, as reasonably requested by it to be so delivered, certificates or other instruments representing all Equity Interests constituting Collateral, together with stock powers or other instruments of transfer with respect thereto endorsed in blank;

(f) all Indebtedness of Parent, any Borrower or any other Subsidiary that is evidenced by a promissory note, is owing to any Loan Party and constitutes Collateral shall be delivered to the Administrative Agent, together with instruments of transfer with respect thereto endorsed in blank;

(g) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Administrative Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect such Liens to the extent required by, and with the priority required by, the Security Documents, shall have been filed, registered or recorded or delivered to the Administrative Agent for filing, registration or recording; and

(h) each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting by it of the Liens thereunder,

provided that the foregoing definition shall not require the creation or perfection of pledges of or security interests in particular assets of the Loan Parties or Guarantees from particular Subsidiaries if and for so long as, the Administrative Agent, in consultation with the US Borrower, reasonably determines that the cost to any Borrower of creating or perfecting such pledges or security interests in such assets or obtaining such Guarantees (in each case, taking into account any adverse tax consequences to Parent, the Borrowers and the other Subsidiaries (including the imposition of withholding or other material taxes on Lenders)) shall be commercially unreasonable in view of the benefits to be obtained by the Lenders therefrom.

"Commitment" means a Limited Currency Revolving Commitment, Multicurrency Revolving Commitment, US Dollar Revolving Commitment, Term Commitment, or any combination thereof (as the context requires).

"Consolidated Cash Interest Expense" means, for any period, the excess of (a) the sum of (i) the interest expense (including imputed interest expense in respect of Capital Lease Obligations) of Parent, the Borrowers and the other Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, plus (ii) any interest accrued during such period in respect of Indebtedness of Parent, any Borrower or any other Subsidiary that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP, plus (iii) any cash payments made during such period in respect of obligations referred to in clause (b)(ii) below that

were amortized or accrued in a previous period, plus (iv) the aggregate amount of all Restricted Payments (other than Restricted Payments made pursuant to Sections 6.08(a)(v), (vi) and (vii)) made by the Holding Companies to Persons other than Holding Companies during such period minus (b) the sum of (i) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of financing costs paid in a previous period, plus (ii) to the extent included in such consolidated interest expense for such period, non-cash amounts attributable to amortization of debt discounts or accrued interest payable in kind for such period, provided that Consolidated Cash Interest Expense with respect to any period shall be determined after giving pro forma effect to all acquisitions, investments, sales, dispositions, mergers, incurrences of Indebtedness or similar events (including, as applicable, the application of the proceeds therefrom) during such period.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) any extraordinary charges or losses for such period and (v) the one-time adjustments with respect to the fiscal quarters ended March 31, 2005, September 30, 2005 and December 31, 2005 that are set forth on Schedule 1.01, minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary gains for such period, all determined on a consolidated basis in accordance with GAAP and after giving pro forma effect to all acquisitions, investments, sales, dispositions, mergers, incurrences of Indebtedness or similar events (including, as applicable, the application of the proceeds therefrom) during such period.

"Consolidated Net Income" means, for any period, the net income or loss of Parent, the Borrowers and the other Subsidiaries for such period determined on a consolidated basis in accordance with GAAP (adjusted to reflect any charge, tax or expense incurred or accrued by Parent during such period as though such charge, tax or expense had been incurred by Parent, to the extent that Parent has made or would be entitled under the Loan Documents to make any payment to or for the account of Parent in respect thereof) and after giving pro forma effect to all acquisitions, investments, sales, dispositions, mergers, incurrences of Indebtedness or similar events (including, as applicable, the application of the proceeds therefrom) during such period, provided that, to the extent not included therein, the foregoing shall include the income of any Person (other than any Subsidiary) in which any other Person (other than any Borrower or any other Subsidiary or any director holding qualifying shares in compliance with applicable law) owns an Equity Interest, to the extent of the amount of cash or cash equivalent dividends or other cash or cash equivalent distributions actually paid to Parent, any Borrower or any other Subsidiary during such period.

"Consolidated Revenues" means, with respect to Parent, any Subsidiary or any group of Subsidiaries for any period, the revenues of Parent, such Subsidiary or such group of Subsidiaries for such period determined on a consolidated basis in accordance with GAAP excluding any revenues attributable to Permitted Acquisition Subsidiaries.

"Consolidated Tangible Assets" means, at any time, the value of the tangible assets of Parent, the Borrowers and the other Subsidiaries determined on a consolidated basis in accordance with GAAP, as set forth in the most recent Financial Officer's certificate delivered pursuant to Section 5.01(c).

"Contract Period" means, with respect to any B/A, the period commencing on the date such B/A is issued and accepted and ending on the date 30, 60, 90 or 180 days thereafter, as the applicable Canadian Borrower may elect (in each case subject to availability), provided that if such Contract Period would end on a day other than a Business Day, such Contract Period shall be extended to the next succeeding Business Day.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms "Controlling" and "Controlled" have meanings correlative thereto.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Designated Obligations" means all obligations of the Borrowers with respect to (a) principal of and interest on the Loans, (b) amounts payable in respect of B/As at the maturity thereof, (c) unreimbursed LC Disbursements and interest thereon and (d) accrued and unpaid fees under the Loan Documents.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"Discount Proceeds" means, with respect to any B/A, an amount (rounded upward, if necessary, to the nearest C$.01) calculated by multiplying (a) the face amount of such B/A by (b) the quotient obtained by dividing (i) one by (ii) the sum of (A) one and (B) the product of (x) the Discount Rate (expressed as a decimal) applicable to such B/A and (y) a fraction of which the numerator is the Contract Period applicable to such B/A and the denominator is 365, with such quotient being rounded upward or downward to the fifth decimal place and .000005 being rounded upward.

"Discount Rate" means, with respect to a B/A being accepted and purchased on any day, (a) for a Lender which is a Schedule I Lender, (i) the CDOR Rate applicable to such B/A or, (ii) if the discount rate for a particular Contract Period is not quoted on the Reuters Screen CDOR Page, the arithmetic average (as determined by the Canadian Agent) of the percentage discount rates (expressed as a decimal and rounded upward, if necessary, to the nearest 1/100 of 1%) quoted to the Canadian Agent by the Schedule I Reference Lenders as the percentage discount rate at which each such bank would, in accordance with its normal practices, at approximately 10:00 a.m., Toronto time, on such day, be prepared to purchase bankers' acceptances accepted by such bank

having a face amount and term comparable to the face amount and Contract Period of such B/A, and (b) for a lender which is a Schedule II Lender or a Schedule III Lender, the lesser of (i) the CDOR Rate applicable to such B/A plus 0.10% per annum and (ii) the arithmetic average (as determined by the Canadian Agent) of the percentage discount rates (expressed as a decimal and rounded upward, if necessary, to the nearest 1/100 of 1%) quoted to the Canadian Agent by the Schedule II Reference Lenders as the percentage discount rate at which each such bank would, in accordance with its normal practices, at approximately 10:00 a.m., Toronto time, on such day, be prepared to purchase bankers' acceptances accepted by such bank having a face amount and term comparable to the face amount and Contract Period of such B/A.

"Domestic Collateral Agreement" means the Guarantee and Collateral Agreement among Parent, the US Borrower, the other US Guarantors and the Administrative Agent, substantially in the form of Exhibit B.

"Domestic Subsidiary" means any Subsidiary that is not a Foreign Subsidiary.

"Effective Date" means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

"Effective Date Excess Cash" means the amount, if any, by which the aggregate amount of consolidated cash and cash equivalents of Parent, the Borrowers and the other Subsidiaries on the Effective Date exceeds the US Dollar Equivalent of US$150,000,000, provided that the Effective Date Excess Cash shall not exceed US$125,000,000.

"EMU Legislation" means the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of Parent, any Borrower or any other Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

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

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with Parent or the US Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by Parent or the US Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by Parent or the US Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by Parent or the US Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by Parent or the US Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from Parent or the US Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Euro" or "€" means the single currency of the European Union as constituted by the Treaty on European Union and as referred to in the EMU Legislation.

"EURIBO Rate" means, with respect to any Eurocurrency Borrowing denominated in Euros for any Interest Period, the rate appearing on page 248 of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the London Agent from time to time for purposes of providing quotations of interest rates applicable to Euro deposits in the European interbank market) at approximately 11:00 a.m., Paris time, two Business Days prior to the commencement of such Interest Period, as the rate for Euro deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the EURIBO Rate with respect to such Eurocurrency Borrowing for such Interest Period shall be the rate at which Euro deposits

in an amount the US Dollar Equivalent of which is approximately equal to US$5,000,000 and for a maturity comparable to such Interest Period is offered by the London Agent in immediately available funds in the European interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Eurocurrency", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Eurocurrency Rate.

"Event of Default" has the meaning assigned to such term in Section 7.01.

"Exchange Rate" means on any day, for purposes of determining the US Dollar Equivalent of any other currency, the rate at which such other currency may be exchanged into US Dollars, as set forth at approximately 11:00 a.m., London time, on such day on the Reuters World Currency Page for such currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the US Borrower, or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m., Local Time, on such date for the purchase of US Dollars for delivery two Business Days later, provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Excluded Acquisition" means any purchase or other acquisition, in one transaction or a series of related transactions, of assets, properties and/or Equity Interests with an aggregate fair market value not exceeding US$500,000 (or the US Dollar Equivalent thereof).

"Excluded Assets" means, with respect to Parent, any Borrower or any other Subsidiary, (a) any real property or interests therein of such Person and (b) any Permitted Deposits of such Person.

"Excluded Subsidiaries" means, at any time, a group of Subsidiaries the Consolidated Revenues of which for the most recently ended fiscal year of Parent equal less than 10% of the Consolidated Revenues of Parent for such fiscal year, provided that (a) no Permitted Acquisition Subsidiary may be an Excluded Subsidiary (and all revenues attributable to Permitted Acquisition Subsidiaries shall be disregarded for purposes of determining the Excluded Subsidiaries) and (b) if at any time it is known to a Financial Officer that, as a result of an acquisition, disposition or transfer of assets (including Equity Interests), the aggregate Consolidated Revenues of the Excluded Subsidiaries for the most recent fiscal year of Parent shall equal 10% or more of the Consolidated Revenues of Parent for such period, Parent shall designate sufficient Excluded

Subsidiaries as Material Subsidiaries to eliminate such condition, such designation to occur not later than the 20th Business Day after the condition requiring such designation is known to a Financial Officer (and if Parent shall fail to designate such Subsidiaries by such time, Excluded Subsidiaries shall automatically be deemed to be Material Subsidiaries in descending order based on the amounts of their Consolidated Revenues until such condition shall have been eliminated). Excluded Subsidiaries designated or deemed designated as Material Subsidiaries pursuant to the preceding sentence shall for all purposes of this Agreement constitute Material Subsidiaries upon such designation or deemed designation.

"Excluded Taxes" means, with respect to any Agent, any Lender or any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which a Lender is located, and (c) in the case of a Foreign Lender making loans denominated in US Dollars (other than an assignee pursuant to a request by the US Borrower under Section 2.19(b)), any withholding tax that is imposed by the United States of America on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrowers with respect to such withholding tax pursuant to Section 2.17(a), provided that the term "Excluded Taxes" shall not include taxes imposed on amounts payable to an Agent, a Lender or an Issuing Bank that result from a failure by Parent, any Borrower or any other Subsidiary to take any action that would allow such amounts to be paid free of such taxes.

"Existing Letters of Credit" means the letters of credit outstanding on the Effective Date and set forth on Schedule 2.05.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief financial officer, chief or principal accounting officer, treasurer or controller of Parent or the US Borrower.

"Foreign Borrower Agreement" means a Foreign Borrower Agreement substantially in the form of Exhibit C hereto.

"Foreign Borrower Termination" means a Foreign Borrower Termination substantially in the form of Exhibit D hereto.

"Foreign Borrowers" means any Wholly Owned Foreign Subsidiary designated as a Foreign Borrower in accordance with Section 2.23, provided that the status of any of the foregoing as a Foreign Borrower shall terminate if and when a Foreign Borrower Termination is delivered to the Administrative Agent in accordance with Section 2.23.

"Foreign Collateral" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"Foreign Collateral Agreement" means each pledge, security or guarantee agreement among an Agent and one or more Foreign Guarantors and that is reasonably acceptable to the Administrative Agent.

"Foreign Currency" means Canadian Dollars, Euros, Norwegian Kronor, Sterling, Swedish Kronor, Swiss Francs and any other currency reasonably acceptable to the Administrative Agent that is freely available, freely transferable and freely convertible into US Dollars.

"Foreign Currency Borrowing" means a Borrowing denominated in a Foreign Currency.

"Foreign Currency LC Exposure" means, at any time, the sum of (a) the US Dollar Equivalent of the aggregate undrawn amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the US Dollar Equivalent of the aggregate amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The Foreign Currency LC Exposure of any Limited Currency Revolving Lender at any time shall be its Limited Currency Applicable Percentage of the total Foreign Currency LC Exposure at such time.

"Foreign Currency Letter of Credit" means a Letter of Credit denominated in Euros or Sterling.

"Foreign Currency Revolving Exposure" means, with respect to any Lender at any time, the sum of (a) the US Dollar Equivalent of the outstanding principal amount of such Lender's Foreign Currency Revolving Loans, (b) the US Dollar Equivalent of the aggregate face amount of the B/As accepted by the such Lender and outstanding at such time and (c) its Foreign Currency LC Exposure at such time.

"Foreign Currency Revolving Loan" means a Revolving Loan denominated in a Foreign Currency.

"Foreign Currency Sublimit" means, at any time, the lesser of (a) US$100,000,000 and (b) the aggregate amount of the Revolving Commitments at such time. The Foreign Currency Sublimit is part of, and not in addition to, the Revolving Commitments.

"Foreign Guarantees" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"Foreign Guarantors" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"Foreign Lender" means any Lender that is not organized under the laws the United States of America or any State thereof or the District of Columbia.

"Foreign Obligations" means the Obligations of the Foreign Borrowers.

"Foreign Subsidiary" means any Subsidiary that is not organized under the laws of the United States of America or any State thereof or the District of Columbia, provided that, for purposes of the Collateral and Guarantee Requirement, a Subsidiary that is not a "controlled foreign corporation" under Section 957 of the Code shall not constitute a Foreign Subsidiary.

"Form 10" has the meaning set forth in the recitals hereto.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Granting Bank" has the meaning set forth in Section 9.04(d).

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof (including pursuant to any "synthetic lease" financing), (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or

obligation, provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Holdco #1" means CCE Holdco #1, Inc., a Delaware corporation.

"Holdco #2" has the meaning set forth in the recitals hereto.

"Holding Companies" means, collectively, Parent, Holdco #1 and Holdco #2.

"Increased Amount Date" has the meaning set forth in Section 2.21 (a).

"Incremental Amount" means, at any time, the excess, if any, of (a) US$250,000,000 over (b) the aggregate amount of all Incremental Term Commitments and Incremental Revolving Commitments established prior to such time pursuant to Section 2.21.

"Incremental Assumption Agreement" means an Incremental Assumption Agreement in form and substance reasonably satisfactory to the Administrative Agent, among the Borrowers, the Agents and one or more Incremental Term Lenders and/or Incremental Revolving Lenders.

"Incremental Documents" has the meaning set forth in Section 2.21(b).

"Incremental Revolving Commitment" means the commitment of any Lender, established pursuant to Section 2.21, to make Incremental Revolving Loans to the Borrowers.

"Incremental Revolving Lender" means a Lender with an Incremental Revolving Commitment or an outstanding Incremental Revolving Loan.

"Incremental Revolving Loans" means Revolving Loans made by one or more Lenders to a Borrower pursuant to Section 2.01.

"Incremental Term Commitment" means the commitment of any Lender, established pursuant to Section 2.21, to make Incremental Term Loans to the US Borrower.

"Incremental Term Lender" means a Lender with an Incremental Term Commitment or an outstanding Incremental Term Loan.

"Incremental Term Loans" means Term Loans made by one or more Lenders to the US Borrower pursuant to Section 2.01.

"Indebtedness" of any Person means, without duplication, the following:

(a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind made to such Person,

(b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments,

(c) all obligations of such Person which customarily bear interest irrespective of whether a default has occurred,

(d) all obligations of such Person under conditional sale or other title retention agreements (other than customary reservations or retentions of title under supply agreements entered into in the ordinary course of business) relating to property acquired by such Person,

(e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable incurred in the ordinary course of business to the extent not more than 90 days overdue),

(f) all obligations of others of the type referred to in clauses (a) through (e) and (g) through (k) of this definition secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not such obligations secured thereby have been assumed,

(g) all Guarantees by such Person of obligations of others of the type referred to in clauses (a) through (f) and (h) through (k) of this definition,

(h) all Capital Lease Obligations of such Person,

(i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty,

(j) all obligations of such Person with respect to any Swap Agreement and

(k) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Information" has the meaning set forth in Section 9.12.

"Information Memorandum" means the Confidential Information Memorandum dated November, 2005 relating to Parent, the US Borrower and the Transactions.

"Intercompany Debt Repayment" has the meaning set forth in the recitals hereto.

"Interest Election Request" means a request by a Borrower to convert or continue a Revolving Borrowing, Term Borrowing or B/A Drawing in accordance with Section 2.07.

"Interest Payment Date" means (a) with respect to any ABR Loan (other than a Swingline Loan) or a Canadian Base Rate Loan, the last day of each March, June, September and December, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period, and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

"Interest Period" means, with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or, with the consent of each Lender, nine or twelve months), as the applicable Borrower may elect, provided that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Issuing Bank" means a US Dollar Issuing Bank or a Multicurrency Issuing Bank.

"JPMCB" means JPMorgan Chase Bank, N.A.

"JPME" means J.P. Morgan Europe Limited and its successors.

"Judgment Currency" has the meaning set forth in Section 9.15.

"LC Disbursement" means a payment made by any Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit denominated in US Dollars at such time, (b) the US Dollar Equivalent of the aggregate undrawn amount of all outstanding Foreign Currency Letters of Credit at such time, (c) the aggregate amount of all LC Disbursements made in US Dollars that have not yet been reimbursed by or on behalf of the applicable Borrower at such time and (d) the US Dollar Equivalent of the aggregate amount of all LC Disbursements made in a Foreign Currency that have not yet been reimbursed by or on behalf of the applicable Borrower at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means any Existing Letter of Credit and any letter of credit issued pursuant to this Agreement.

"Leverage Ratio" means, on any relevant date of determination, the ratio of (a) Total Indebtedness as of such date minus Unrestricted Cash and Cash Equivalents as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Parent ended on such date.

"LIBO Rate" means, with respect to any Eurocurrency Borrowing for any Interest Period, the rate appearing on page 3750 (or, in the case of a Eurocurrency Foreign Currency Borrowing, the rate appearing on the applicable page for such Foreign Currency) of the Dow Jones Market Service (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Applicable Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits (or, in the case of a Eurocurrency Foreign Currency Borrowing, deposits in the applicable Foreign Currency) in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period (or, in the case of Interest Periods with respect to any Loan denominated in Sterlings, on the Business Day on which such Interest Period commences), as the rate for dollar (or the applicable Foreign Currency) deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the LIBO Rate with respect to such Eurocurrency Borrowing for such Interest Period shall be the rate at which US Dollar deposits of US$5,000,000 (or, in the case of a Eurocurrency Foreign Currency Borrowing, deposits in the applicable Foreign Currency in an amount the US Dollar Equivalent of which is approximately equal to US$5,000,000) and for a maturity comparable to such Interest

Period are offered by the London Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Limited Currency Applicable Percentage" means, with respect to any Limited Currency Revolving Lender, the percentage of the total Limited Currency Revolving Commitments represented by such Lender's Limited Currency Revolving Commitment. If the Limited Currency Revolving Commitments have terminated or expired, the Limited Currency Applicable Percentages shall be determined based upon the Limited Currency Revolving Commitments most recently in effect, giving effect to any assignments.

"Limited Currency LC Exposure" means, at any time, the LC Exposure attributable to the Limited Currency Revolving Commitments. The Limited Currency LC Exposure of any Limited Currency Revolving Lender at any time shall be its Limited Currency Applicable Percentage of the total Limited Currency LC Exposure at such time.

"Limited Currency Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Limited Currency Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Limited Currency Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Limited Currency Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Limited Currency Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' Limited Currency Revolving Commitments is US$75,000,000.

"Limited Currency Revolving Exposure" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's Limited Currency Revolving Loans denominated in US Dollars at such time, (b) the US Dollar Equivalent of the outstanding principal amount of such Lender's Limited Currency Revolving Loans denominated in Euros or Sterling at such time, (c) such Lender's Limited Currency LC Exposure at such time and (d) such Lender's Limited Currency Swingline Exposure at such time.

"Limited Currency Revolving Lender" means a Lender with a Limited Currency Revolving Commitment or, if the Limited Currency Revolving Commitments have terminated or expired, a Lender with Limited Currency Revolving Exposure.

"Limited Currency Revolving Loan" means a Loan made pursuant to clause (b) of Section 2.01.

"Limited Currency Swingline Exposure" means, at any time, the Swingline Exposure attributable to the Limited Currency Revolving Commitments. The Limited Currency Swingline Exposure of any Limited Currency Revolving Lender at any time shall be its Limited Currency Applicable Percentage of the total Limited Currency Swingline Exposure at such time.

"Loan Documents" means this Agreement, any letter of credit applications referred to in Section 2.05(a) or (b), any promissory notes delivered pursuant to Section 2.09(e), the Domestic Collateral Agreement and the other Security Documents.

"Loan Parties" means Parent, the Borrowers and the other Subsidiary Loan Parties.

"Loans" means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

"Local Time" means (a) with respect to a Loan or Borrowing denominated in US Dollars, New York City time, (b) with respect to a Loan or Borrowing denominated in Canadian Dollars or a B/A, Toronto time and (c) with respect to a Loan or Borrowing denominated in any other Foreign Currency, London time.

"London Agent" means JPME, in its capacity as London agent for the Lenders hereunder, or any successor thereto appointed in accordance with Article VIII.

"Material Adverse Effect" means a material adverse effect on (a) the business, assets, operations, properties, condition (financial or otherwise), liabilities (including contingent liabilities), material agreements or prospects of Parent, the Borrowers and the other Subsidiaries, taken as a whole, (b) the ability of any Loan Party to perform any of its obligations under any Loan Document or (c) the rights of or remedies available to the Lenders under any Loan Document.

"Material Indebtedness" means (without duplication) Indebtedness (other than the Loans, Letters of Credit and B/As), or obligations in respect of one or more Swap Agreements, of any one or more of Parent, the Borrowers and the other Subsidiaries in an aggregate outstanding principal amount exceeding US$10,000,000, determined on a consolidated basis, provided that for purposes of Section 7.01(f), Material Indebtedness shall not include the Preferred Stock. For purposes of determining Material Indebtedness in respect of any Swap Agreement, the "amount" of the outstanding principal amount of the obligations of Parent, any Borrower or any other Subsidiary in respect of such Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Parent, such Borrower or

such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"Material Subsidiary" means (a) any Subsidiary that is not an Excluded Subsidiary or (b) any Permitted Acquisition Subsidiary.

"Maturity Date" means the Revolving Maturity Date or the Term Maturity Date (as the context requires).

"Maximum Rate" has the meaning set forth in Section 9.13.

"Moody's" means Moody's Investors Service, Inc.

"Multicurrency Issuing Bank" means JPMCB and Bank of America, N.A. and each other Person designated a Multicurrency Issuing Bank pursuant to Section 2.05(i), in each case in its capacity as an issuer of Letters of Credit denominated in US Dollars, Euros and Sterling hereunder, and its successors in such capacity as provided in Section 2.05(i). A Multicurrency Issuing Bank may, in its discretion, arrange for any Letter of Credit to be issued by Affiliates of such Multicurrency Issuing Bank by providing notice thereof to the US Borrower on or prior to the date on which the request for such Letter of Credit is delivered or telecopied to such Multicurrency Issuing Bank in accordance with Section 2.05(b), in which case the term "Multicurrency Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Multicurrency Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Multicurrency Revolving Loans and to accept and purchase or arrange for the purchase of B/As pursuant to Section 2.20, expressed as an amount representing the maximum aggregate amount of such Lender's Multicurrency Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Multicurrency Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Multicurrency Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' Multicurrency Revolving Commitments is US$25,000,000.

"Multicurrency Revolving Exposure" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's Multicurrency Revolving Loans denominated in US Dollars at such time, (b) the US Dollar Equivalent of the outstanding principal amount of such Lender's Multicurrency Revolving Loans denominated in Foreign Currencies at such time and (c) the US Dollar Equivalent of the aggregate face amount of the B/As accepted by such Lender and outstanding at such time.

"Multicurrency Revolving Lender" means a Lender with a Multicurrency Revolving Commitment or, if the Multicurrency Revolving Commitments have terminated or expired, a Lender with Multicurrency Revolving Exposure.

"Multicurrency Revolving Loan" means a Loan made pursuant to clause (c) of Section 2.01.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds" means, with respect to any event (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds, but only as and when received, (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid by Parent, the Borrowers and the other Subsidiaries to third parties (other than Parent and the Subsidiaries) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made by Parent, the Borrowers and the other Subsidiaries as a result of such event to repay Indebtedness (other than Loans) secured by such asset and (iii) the amount of all taxes paid (or reasonably estimated to be payable) by Parent, the Borrowers and the other Subsidiaries, and the amount of any reserves established by Parent, the Borrowers and the other Subsidiaries to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

"Norwegian Kronor" or "Nkr" means the lawful money of Norway.

"Obligations" means the following:

(a) the due and punctual payment by the Borrowers of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by any Borrower in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of LC Disbursements, interest thereon (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) and obligations to provide cash collateral, (iii) all reimbursement obligations of the Canadian Borrowers in respect of B/As accepted hereunder and (iv) all other monetary obligations of the Borrowers under this Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise, arising under the Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding),

(b) the due and punctual payment of all the monetary obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents, and

(c) the due and punctual payment of all monetary obligations of each Loan Party under each Swap Agreement that (i) is in effect on the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender as of the Effective Date or (ii) is entered into after the Effective Date with any counterparty that is a Lender or an Affiliate of a Lender at the time such Swap Agreement is entered into (other than Swap Agreements entered into after (A) the principal of and interest on each Loan and all fees payable hereunder have been paid in full, (B) the Lenders have no further commitment to lend hereunder, (C) the LC Exposures have been reduced to zero and (D) the Issuing Banks have no further obligations to issue Letters of Credit).

"Obligations Guarantees" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"Obligations Guarantors" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

"Parent" has the meaning set forth in the recitals hereto.

"Participant" has the meaning set forth in Section 9.04(c)(i).

"Participating Revolving Commitment" means a Limited Currency Revolving Commitment, US Dollar Revolving Commitment, or any combination thereof (as the context requires).

"Participating Revolving Exposure" means, with respect to any Lender at any time, the sum of such Lender's Limited Currency Revolving Exposure and US Dollar Revolving Exposure at such time.

"Participating Revolving Lender" means a Limited Currency Revolving Lender, US Dollar Revolving Lender or any combination thereof (as the context requires).

"Participating Revolving Loan" means a Limited Currency Revolving Loan, US Dollar Revolving Loan or any combination thereof (as the context requires).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Perfection Certificate" means a certificate in the form of Exhibit E or any other form approved by the Collateral Agent.

"Permitted Acquisition" has the meaning set forth in Section 6.04(f).

"Permitted Acquisition Subsidiary" means any Subsidiary that becomes a Subsidiary through a Permitted Acquisition (other than an Excluded Acquisition).

"Permitted Deposits" means, with respect to Parent, any Borrower or any other Subsidiary, cash or cash equivalents (and all accounts and other depositary arrangements with respect thereto) securing customary obligations of such Person that are incurred in the ordinary course of business in connection with promoting or producing live entertainment events.

"Permitted Encumbrances" means:

(a) Liens imposed by law for taxes, assessments, governmental charges, levies or claims that are not yet delinquent or are being contested in compliance with Section 5.05;

(b) carriers', warehousemen's, mechanics', laborers', materialmen's, repairmen's, vendors' and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.05;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) Permitted Deposits and deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) awards or judgment liens in respect of awards or judgments that do not constitute an Event of Default under clause (k) of Section 7.01;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of Parent, any Borrower or any other Subsidiary;

(g) Liens created by lease agreements in respect of the leasehold interests leased by Parent, any Borrower or any other Subsidiary thereunder to secure the payments of rental amounts and other sums not yet due thereunder;

(h) Liens on leasehold interests of Parent or any Subsidiary created by the lessor in favor of any mortgagee of the leased premises, provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, a credit rating of at least A-1 or P-1 from S&P or from Moody's, respectively;

(c) investments in certificates of deposit, banker's acceptances and time deposits denominated in US Dollars and maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts denominated in US Dollars issued or offered by, any commercial bank organized under the laws of the United States of America or any State thereof or any member nation of the Organization for Economic Cooperation and Development which has a combined capital and surplus and undivided profits of not less than US$500,000,000 (or the US Dollar Equivalent thereof) or any Lender or Affiliate of any Lender;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) (A) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940 (or, in the case of money market funds offered by any commercial bank organized under the laws of any member nation of the Organization for Economic Cooperation and Development, the applicable criteria of such member nation to the extent substantially comparable to the criteria set forth in such Rule 2a-7), (B) are rated AAA by S&P and Aaa by Moody's or a comparable rating by any other nationally recognized rating agency and (C) have portfolio assets of at least US$5,000,000,000 (or the US Dollar Equivalent thereof) or (ii) are offered by any Lender or Affiliate of any Lender.

"Permitted Restricted Payment Amount" means, for any fiscal year, the sum of (a) the aggregate amount of dividends required by the terms of the Preferred Stock as of the Effective Date to be paid during such fiscal year in respect of the Preferred Stock outstanding as of the Effective Date (to the extent such Preferred Stock remains outstanding after the Effective Date) and (b) US$1,000,000.

"Permitted Subordinated Indebtedness" means Indebtedness of Parent, any Borrower or any other Subsidiary that (a) is subordinated to the Obligations on terms no less favorable to the Lenders than the terms set forth in Exhibit F hereto and (ii) matures on or after the date that is one year after the Term Maturity Date.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which Parent or the US Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Preferred Stock" has the meaning set forth in the recitals hereto.

"Prepayment Account" has the meaning set forth in Section 2.11(f).

"Prepayment Event" means:

(a) any sale, transfer or other disposition (including pursuant to a sale and leaseback transaction) of any property or asset of Parent, any Borrower or any other Subsidiary, other than dispositions described in clauses (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of Section 6.05; or

(b) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of Parent, any Borrower or any other Subsidiary; or

(c) the incurrence by Parent, any Borrower or any other Subsidiary of any Indebtedness, other than Indebtedness permitted under Section 6.01(a), if after giving pro forma effect to such incurrence, the Leverage Ratio would be greater than 3.0 to 1.0.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMCB, as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Register" has the meaning set forth in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Remaining Excess Cash" means, at any time, an amount equal to the Effective Date Excess Cash less the sum of (a) the aggregate amount of investments,

loans and advances made, and payments in respect of purchases and acquisitions consummated, pursuant to Section 6.04(n) prior to such time, (b) the aggregate amount of Restricted Payments made pursuant to Section 6.08(a)(vii) prior to such time and (c) the aggregate amount of cash and cash equivalents transferred pursuant to Section 6.09(i) prior to such time.

"Required Lenders" means, at any time, Lenders having Revolving Exposures, Term Loans and unused Commitments representing more than 50% of the sum of the total Revolving Exposures, outstanding Term Loans and unused Commitments at such time.

"Reset Date" has the meaning assigned to such term in Section 1.06(a).

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Parent, any Borrower or any other Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of any Equity Interests in Parent, any Borrower or any other Subsidiary or any option, warrant or other right to acquire any such Equity Interests in Parent, any Borrower or any other Subsidiary.

"Revolving Availability Period" means the period from and including the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitments.

"Revolving Commitment" means a Limited Currency Revolving Commitment, Multicurrency Revolving Commitment, US Dollar Revolving Commitment or any combination thereof (as the context requires).

"Revolving Exposure" means, with respect to any Lender at any time, the sum of such Lender's Limited Currency Revolving Exposure, Multicurrency Revolving Exposure and US Dollar Revolving Exposure at such time.

"Revolving Lender" means a Limited Currency Revolving Lender, Multicurrency Revolving Lender, US Dollar Revolving Lender or any combination thereof (as the context requires).

"Revolving Loan" means a Limited Currency Revolving Loan, Multicurrency Revolving Loan, US Dollar Revolving Loan or any combination thereof (as the context requires).

"Revolving Maturity Date" means June 21, 2012.

"Rollover Amount" has the meaning set forth in Section 6.16.

"S&P" means Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation.

"Schedule I Lender" means any Lender named on Schedule I to the Bank Act (Canada).

"Schedule I Reference Lenders" means any Schedule I Lender as may be agreed by the Canadian Borrowers and the Canadian Agent from time to time.

"Schedule II Lender" means any Lender named on Schedule II to the Bank Act (Canada).

"Schedule II Reference Lender" means JPMorgan Chase Bank, N.A., Toronto Branch, and any other Schedule II Lender or Schedule III Lender as may be agreed by the Canadian Borrowers and the Canadian Agent from time to time.

"Schedule III Lender" means any Lender named on Schedule III to the Bank Act (Canada).

"Secured Party" means each applicable "Secured Party", as defined in any applicable Security Document.

"Security Documents" means the Domestic Collateral Agreement, the Foreign Collateral Agreements and each other security agreement or other instrument or document executed and delivered pursuant to Section 5.11 or 5.12 to secure any of the Obligations.

"Senior Indebtedness" means Indebtedness of Parent, any Borrower or any other Subsidiary that is not expressly subordinated in right of payment to any other Indebtedness of Parent, any Borrower or any other Subsidiary.

"Senior Leverage Ratio" means, on any relevant date of determination, the ratio of (a) Total Senior Indebtedness as of such date minus Unrestricted Cash and Cash Equivalents as of such date to (b) Consolidated EBITDA for the period of four consecutive fiscal quarters of Parent ended on such date.

"Series A Preferred Stock" has the meaning set forth in the recitals hereto.

"Series B Preferred Stock" has the meaning set forth in the recitals hereto.

"SPC" has the meaning set forth in Section 9.04(d).

"Spin-Off" has the meaning set forth in the recitals hereto.

"Statutory Reserves" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject, with respect to the Adjusted Eurocurrency Rate, for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those

imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Sterling" or "£" means the lawful money of the United Kingdom.

"Subordinated Indebtedness" means Indebtedness of Parent, any Borrower or any other Subsidiary that is expressly subordinated in right of payment to the Obligations.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent, other than solely as a result of a contract under which the parent or one or more subsidiaries of the parent provides management services.

"Subsidiary" means any subsidiary of Parent.

"Subsidiary Loan Party" means (a) each Borrower and (b) each Subsidiary that is required to execute a Security Document under the Collateral and Guarantee Requirement.

"Swap Agreement" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions, provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Parent, any Borrower or any Subsidiary shall be a Swap Agreement.

"Swedish Kronor" or "Sk" means the lawful money of Sweden.

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender

at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

"Swingline Lender" means JPMCB, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.04.

"Swiss Francs" and "CHF" means the lawful money of Switzerland.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make a Term Loan hereunder on the Effective Date, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Lender hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Term Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Term Commitment, as applicable. The initial aggregate amount of the Lenders' Term Commitments is US$325,000,000.

"Term Lender" means a Lender with a Term Commitment or an outstanding Term Loan.

"Term Loan" means a Loan made pursuant to clause (a) of Section 2.01.

"Term Maturity Date" means June 21, 2013.

"Total Indebtedness" means, as of any relevant date of determination, the sum of (a) the aggregate principal amount of Indebtedness of Parent, the Borrowers and the other Subsidiaries outstanding as of such date, in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, plus (b) the aggregate principal amount of Indebtedness of Parent, the Borrowers and the other Subsidiaries outstanding as of such date that is not required to be reflected on a balance sheet in accordance with GAAP, determined on a consolidated basis, provided that Total Indebtedness shall exclude all Indebtedness of Parent, the Borrowers and the other Subsidiaries permitted under Sections 6.01(a)(vii) and (ix).

"Total Senior Indebtedness" means, as of any relevant date of determination, the sum of (a) the aggregate principal amount of Senior Indebtedness of Parent, the Borrowers and the other Subsidiaries outstanding as of such date, in the amount that would be reflected on a balance sheet prepared as of such date on a consolidated basis in accordance with GAAP, plus (b) the aggregate principal amount of Senior Indebtedness of Parent, the Borrowers and the other Subsidiaries outstanding as of such date that is not required to be reflected on a balance sheet in accordance with

GAAP, determined on a consolidated basis, provided that Total Senior Indebtedness shall exclude all Senior Indebtedness of Parent, the Borrowers and the other Subsidiaries permitted under Sections 6.01(a)(vii) and (ix).

"Tranche" means a category of Commitments and extensions of credits thereunder. For purposes hereof, each of the following comprises a separate Tranche: (a) the Term Commitments and the Term Loans, (b) the Letters of Credit issued to, and the Swingline Loans and Revolving Loans made to, the US Borrower and (c) the Letters of Credit issued to, the Revolving Loans made to, and the B/As accepted and purchased on behalf of each Foreign Borrower.

"Transaction Costs" has the meaning set forth in the recitals hereto.

"Transactions" has the meaning set forth in the recitals hereto.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Eurocurrency Rate, the Alternate Base Rate or the Canadian Base Rate.

"Unrestricted Cash and Cash Equivalents" means, as of any date, an amount equal to (a) the aggregate amount of consolidated cash and cash equivalents of Parent, the Borrowers and the other Subsidiaries as of such date less (b) the Remaining Excess Cash as of such date, provided that for all purposes hereunder, Unrestricted Cash and Cash Equivalents shall not exceed US$150,000,000.

"US Borrower" means SFX Entertainment, Inc., a Delaware corporation.

"US Collateral" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"US Dollar Applicable Percentage" means, with respect to any US Dollar Revolving Lender, the percentage of the total US Dollar Revolving Commitments represented by such Lender's US Dollar Revolving Commitment. If the US Dollar Revolving Commitments have terminated or expired, the US Dollar Applicable Percentages shall be determined based upon the US Dollar Revolving Commitments most recently in effect, giving effect to any assignments.

"US Dollar Equivalent" means, on any date of determination, (a) with respect to any amount in US Dollars, such amount and (b) with respect to any amount in any Foreign Currency, the equivalent in US Dollars of such amount, determined by the Administrative Agent pursuant to Section 1.06 using the Exchange Rate with respect to such Foreign Currency at the time in effect under the provisions of such Section.

"US Dollar Issuing Bank" means each Person designated a US Dollar Issuing Bank pursuant to Section 2.05(i), in each case in its capacity as an issuer of Letters of Credit denominated in US Dollars hereunder, and its successors in such capacity as provided in Section 2.05(i). An US Dollar Issuing Bank may, in its

discretion, arrange for any Letter of Credit to be issued by Affiliates of such US Dollar Issuing Bank by providing notice thereof to the US Borrower on or prior to the date on which the request for such Letter of Credit is delivered or telecopied to such US Dollar Issuing Bank in accordance with Section 2.05(b), in which case the term "US Dollar Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"US Dollar LC Exposure" means, at any time, the LC Exposure attributable to the US Dollar Revolving Commitments. The US Dollar LC Exposure of any US Dollar Revolving Lender at any time shall be its US Dollar Applicable Percentage of the total US Dollar LC Exposure at such time.

"US Dollar Revolving Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make US Dollar Revolving Loans and to acquire participations in Letters of Credit denominated in US Dollars and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's US Dollar Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's US Dollar Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its US Dollar Revolving Commitment, as applicable. The initial aggregate amount of the Lenders' US Dollar Revolving Commitments is US$185,000,000.

"US Dollar Revolving Exposure" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender's US Dollar Revolving Loans at such time, (b) such Lender's US Dollar LC Exposure at such time and (c) such Lender's US Dollar Swingline Exposure at such time.

"US Dollar Revolving Lender" means a Lender with a US Dollar Revolving Commitment or, if the US Dollar Revolving Commitments have terminated or expired, a Lender with US Dollar Revolving Exposure.

"US Dollar Revolving Loan" means a Loan made pursuant to clause (d) of Section 2.01.

"US Dollar Swingline Exposure" means, at any time, the Swingline Exposure attributable to the US Dollar Revolving Commitments. The US Dollar Swingline Exposure of any US Dollar Revolving Lender at any time shall be its US Dollar Applicable Percentage of the total US Dollar Swingline Exposure at such time.

"US Dollars" or "US$" refers to the lawful money of the United States of America.

"US Guarantees" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"US Guarantors" has the meaning set forth in the definition of the term "Collateral and Guarantee Requirement".

"US Obligations" means the Obligations of the US Borrower.

"Wholly Owned Foreign Subsidiary" means any Foreign Subsidiary all the Equity Interests in which, other than directors' qualifying shares and/or other nominal amounts of Equity Interests that are required to be held by Persons under applicable law, are owned, directly or indirectly, by the US Borrower.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Revolving Loan") or by Type (e.g., a "Eurocurrency Loan") or by Class and Type (e.g., a "Eurocurrency Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Eurocurrency Borrowing") or by Class and Type (e.g., a "Eurocurrency Revolving Borrowing").

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". The word "or" is not exclusive. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP; Pro Forma Calculations. (a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, provided that if the US Borrower notifies the Administrative Agent that the US Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the US Borrower that the

Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(b) All pro forma computations required to be made hereunder giving effect to any acquisition, investment, sale, disposition, merger, incurrence of Indebtedness or similar event (including, as applicable, the application of the proceeds therefrom) shall reflect on a pro forma basis such event assuming that such event had occurred at the beginning of the most recently ended period of four consecutive fiscal quarters for which financial statements have been delivered pursuant to Section 5.01(a) or (b) and, to the extent applicable and permitted under Regulation S-X promulgated under the Securities Act of 1933, as amended, the historical earnings and cash flows associated with the assets acquired or disposed of, any related incurrence or reduction of Indebtedness, and any projected synergies or similar benefits expected to be realized as a result of such event.

SECTION 1.05. Effectuation of Transactions. Each of the representations and warranties of Parent and the Borrowers contained in this Agreement (and all corresponding definitions) are made after giving effect to the Transactions, unless the context otherwise requires.

SECTION 1.06. Exchange Rates. (a) Not later than 1:00 p.m., New York City time, on each Calculation Date, the Administrative Agent shall determine the Exchange Rate as of such Calculation Date with respect to each currency (i) in which any Lender or Lenders shall be committed to make Loans, (ii) in which any Loan or Loans shall be outstanding or (iii) in which any undrawn Letter of Credit may be denominated. The Exchange Rates so determined shall become effective on the first Business Day immediately following the relevant Calculation Date (a "Reset Date"), shall remain effective until the next succeeding Reset Date and shall for all purposes of this Agreement (other than Section 2.15(f), 7.02, 9.15 or any other provision expressly requiring the use of a current Exchange Rate) be the Exchange Rates employed in converting any amounts between US Dollars and Foreign Currencies.

(b) Not later than 5:00 p.m., New York City time, on each Reset Date and each date of a Borrowing hereunder with respect to Foreign Currency Loans, the Administrative Agent shall determine the aggregate amount of the US Dollar Equivalents of the principal amounts of the Foreign Currency Loans and Foreign Currency Letters of Credit then outstanding (after giving effect to any Foreign Currency Loans or Foreign Currency Letters of Credit made, issued, repaid or canceled on such date).

SECTION 1.07. Redenomination of Certain Foreign Currencies. (a) Each obligation of any party to this Agreement to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euros at the

time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London Interbank Market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency, provided that if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then-current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify in one or more written notices delivered to the US Borrower to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees (a) to make a Term Loan in US Dollars to the US Borrower on the Effective Date in a principal amount not exceeding its Term Commitment, (b) (i) to make Limited Currency Revolving Loans denominated in US Dollars, Euros or Sterling to any Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in (A) such Lender's Limited Currency Revolving Exposure exceeding such Lender's Limited Currency Revolving Commitment or (B) the aggregate amount of Foreign Currency Revolving Exposures exceeding the Foreign Currency Sublimit, (c) (i) to make Multicurrency Revolving Loans denominated in US Dollars or any Foreign Currency to any Borrower from time to time during the Revolving Availability Period and (ii) to cause its Canadian Lending Office to accept and purchase or arrange for the acceptance and purchase of drafts drawn by the Canadian Borrowers in Canadian Dollars as B/As, in each case in an aggregate principal amount that will not result in (A) such Lender's Multicurrency Revolving Exposure exceeding such Lender's Multicurrency Revolving Commitment or (B) the aggregate amount of Foreign Currency Revolving Exposure exceeding the Foreign Currency Sublimit and (d) to make US Dollar Revolving Loans denominated in US Dollars to any Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in such Lender's US Dollar Revolving Exposure exceeding such Lender's US Dollar Revolving Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid in respect of Term Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same

Class and Type, and denominated in the same currency, made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder, provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, (i) each Borrowing denominated in US Dollars shall be comprised entirely of Eurocurrency Loans or ABR Loans, as the applicable Borrower may request in accordance herewith, provided that (i) all Borrowings made on the Effective Date must be denominated in US Dollars; (ii) each Revolving Borrowing denominated in Canadian Dollars shall be comprised entirely of Canadian Base Rate Loans; and (iii) each Revolving Borrowing denominated in any other Foreign Currency shall be comprised entirely of Eurocurrency Loans. Each Swingline Loan shall be denominated in US Dollars and be an ABR Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not affect the obligation of any Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of US$1,000,000 and not less than US$5,000,000, provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments or that is required to finance the reimbursement of a LC Disbursement as contemplated by Section 2.05(e). At the time that each Canadian Base Rate Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of the Borrowing Multiple and not less than the Borrowing Minimum, provided that a Canadian Base Rate Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Revolving Commitments. Each Swingline Loan shall be in an amount that is an integral multiple of US$500,000 and not less than US$1,000,000. Borrowings of more than one Type and Class may be outstanding at the same time, provided that there shall not at any time be outstanding more than a total of (i) 10 Eurocurrency Revolving Borrowings denominated in US Dollars or (ii) 3 Eurocurrency Revolving Borrowings denominated in any single Foreign Currency.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Revolving Borrowing if the Interest Period requested with respect thereto would end after the Revolving Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Revolving Borrowing or Term Borrowing, the applicable Borrower shall notify the Applicable Agent of such request by telephone or by telecopy (a) in the case of a Eurocurrency Borrowing, not later than 11:00 a.m., Local Time, three Business Days before the date of

the proposed Borrowing, (b) in the case of an ABR Borrowing, not later than noon, Local Time, on the date of the proposed Borrowing or (c) in the case of a Canadian Base Rate Borrowing, not later than 11:00 a.m., Local Time one Business Day before the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and, if telephonic, shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Borrowing Request in a form agreed to by the Applicable Agent and the applicable Borrower and signed by the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the Borrower requesting such Borrowing;

(ii) whether the requested Borrowing is to be a Limited Currency Revolving Borrowing, Multicurrency Revolving Borrowing, US Dollar Revolving Borrowing or Term Borrowing;

(iii) the currency and aggregate amount of the requested Borrowing;

(iv) the date of such Borrowing, which shall be a Business Day;

(v) the Type of the requested Borrowing;

(vi) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vii) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

If no currency is specified with respect to any requested Borrowing, then the applicable Borrower shall be deemed to have selected US Dollars. If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be (A) in the case of a Borrowing denominated in US Dollars, an ABR Borrowing, (B) in the case of a Borrowing denominated in Canadian Dollars, a Canadian Base Rate Borrowing and (C) in the case of a Borrowing denominated in any other Foreign Currency, a Eurocurrency Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Applicable Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans denominated in US Dollars to the US Borrower from time to time during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding

US$25,000,000 or (ii) the sum of the total Participating Revolving Exposures exceeding the total Participating Revolving Commitments, provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the US Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the US Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the US Borrower. The Swingline Lender shall make each Swingline Loan available to the US Borrower by means of a credit to the general deposit account of the US Borrower with the Swingline Lender by 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., New York City time, on any Business Day require the Participating Revolving Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Participating Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Participating Revolving Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Participating Revolving Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Participating Revolving Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Participating Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Participating Revolving Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Participating Revolving Lenders. The Administrative Agent shall notify the US Borrower of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the US Borrower (or other party on behalf of the US Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the

Participating Revolving Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear, provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the US Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the US Borrower of any default in the payment thereof.

SECTION 2.05. Letters of Credit. (a) General. Prior to the Effective Date, Bank of America, N.A. issued the Existing Letters of Credit, which on and after the Effective Date shall constitute Letters of Credit issued by Bank of America, N.A. under this Agreement. Subject to the terms and conditions set forth herein, any Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Applicable Agent and the applicable Issuing Bank, at any time and from time to time during the Revolving Availability Period and prior to the date that is five Business Days prior to the Revolving Maturity Date. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by a Borrower to, or entered into by a Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the applicable Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to an Issuing Bank and the Applicable Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the currency in which such Letter of Credit shall be denominated (which shall comply with paragraph (c) of this Section), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, such Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrowers shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, it will not result in (i) the LC Exposure exceeding US$235,000,000, (ii) the Foreign Currency LC Exposure exceeding US$25,000,000, (iii) the sum of the aggregate Participating Revolving Exposures exceeding the sum of the aggregate Participating Revolving Commitments and (iv) the sum of the aggregate Limited Currency Revolving Exposures exceeding the sum of the aggregate Limited Currency Revolving Commitments.

(c) Expiration Date; Foreign Currency Letters of Credit. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Maturity Date. Notwithstanding any other provision of this Agreement, (A) each US Dollar Issuing Bank shall only be required to issue Letters of Credit denominated in US Dollars, (B) each Multicurrency Issuing Bank shall only be required to issue Letters of Credit denominated in US Dollars, Euros and Sterling and (C) no Issuing Bank shall be required to issue a Letter of Credit, including a Foreign Currency Letter of Credit, if such issuance would violate any applicable laws or one or more policies of such Issuing Bank (including policies regarding Foreign Currencies in which letters of credit may be issued as well as maximum amounts of letters of credit issued in Foreign Currencies).

(d) Participations. By the issuance of a Letter of Credit denominated in US Dollars (or an amendment to a Letter of Credit denominated in US Dollars increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, the applicable Issuing Bank hereby grants to each Participating Revolving Lender, and each Participating Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage from time to time of the aggregate amount available to be drawn under such Letter of Credit. By the issuance of a Letter of Credit denominated in Sterling or Euros (or an amendment to a Letter of Credit denominated in Sterling or Euros increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, and with respect to the immediately succeeding clause (ii), on each Reset Date, (i) the applicable Issuing Bank hereby grants to each Limited Currency Revolving Lender, and each Limited Currency Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Limited Currency Applicable Percentage from time to time of the aggregate amount available to be drawn under such Letter of Credit and (ii) each Participating Revolving Lender hereby grants to each other Participating Revolving Lender, and each Participating Revolving Lender hereby acquires from each other Participating Revolving Lender, participations in each Letter of Credit denominated in US Dollars held by such Participating Revolving Lender such that each Participating Revolving Lender's LC Exposure is equal to such Lender's Applicable Percentage of the LC Exposure. In consideration and in furtherance of the foregoing, each Participating Revolving Lender hereby absolutely and unconditionally agrees to pay to the Applicable Agent, for the account of the applicable Issuing Bank, such Lender's Applicable Percentage or Limited Currency Applicable Percentage, as the case may be (in each case, determined as of the date of the notice from the Applicable Agent referred to in paragraph (e) of this Section), of each LC Disbursement made by such Issuing Bank in respect of a Letter of Credit in which such Lender has acquired a participation that is not reimbursed by the applicable Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment in respect of a Letter of Credit in which such Lender has acquired a participation required to be refunded to the applicable Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any

circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the applicable Borrower shall reimburse such LC Disbursement by paying to the Applicable Agent an amount equal to such LC Disbursement not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the applicable Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the applicable Borrower prior to such time on such date, then not later than 12:00 noon, Local Time, on (i) the Business Day that the applicable Borrower receives such notice, if such notice is received prior to 10:00 a.m., Local Time, on the day of receipt, or (ii) the Business Day immediately following the day that the applicable Borrower receives such notice, if such notice is not received prior to such time on the day of receipt. If the applicable Borrower fails to make such payment when due, the Applicable Agent shall notify each Participating Revolving Lender that has acquired a participation in the applicable Letter of Credit of the applicable LC Disbursement, the payment then due from such Borrower in respect thereof and such Lender's Applicable Percentage or Limited Currency Applicable Percentage, as the case may be, thereof. Promptly following receipt of such notice, each Participating Revolving Lender that has acquired a participation in the applicable Letter of Credit shall pay to the Applicable Agent its Applicable Percentage or Limited Currency Applicable Percentage, as the case may be, of the payment then due from the applicable Borrower, in the same manner as provided in Section 2.06 with respect to Loans made by such Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Participating Revolving Lenders), and the Applicable Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Participating Revolving Lenders. Promptly following receipt by the Applicable Agent of any payment from the applicable Borrower pursuant to this paragraph, the Applicable Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Participating Revolving Lenders have made payments pursuant to this paragraph to reimburse the applicable Issuing Bank, then to such Lenders and the applicable Issuing Bank as their interests may appear. Any payment made by a Participating Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve the applicable Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. Each Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the

terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, such Borrower's obligations hereunder. None of the Agents, the Lenders, the Issuing Banks and any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank, provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to any Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by any Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence, wilful misconduct, violation of law or breach of any of its other obligations under the Loan Documents on the part of the applicable Issuing Bank (as determined by a court of competent jurisdiction by final and non-appealed judgment), each Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Applicable Agent and the applicable Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make a LC Disbursement thereunder, provided that any failure to give or delay in giving such notice shall not relieve any Borrower of its obligation to reimburse the applicable Issuing Bank and the Participating Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the applicable Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the applicable Borrower reimburses such LC Disbursement, (i) in the case of a LC Disbursement with respect to a Letter of Credit denominated in US Dollars, at the rate per annum then applicable to ABR Loans, (ii) in the case of a LC Disbursement with respect to a Letter of Credit denominated in

Canadian Dollars, at the rate per annum then applicable to Canadian Base Rate Loans and (iii) in the case of a LC Disbursement with respect to a Letter of Credit denominated in any other Foreign Currency, at the rate per annum then applicable to Eurocurrency Borrowings in such Foreign Currency having an Interest Period of one month, provided that if the applicable Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Participating Revolving Lender pursuant to paragraph (e) of this Section to reimburse the applicable Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of an Issuing Bank. An Issuing Bank may be replaced at any time by written agreement among the US Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank, which agreement shall set forth whether such Issuing Bank is a US Dollar Issuing Bank or a Multicurrency Issuing Bank. The Administrative Agent shall notify the Participating Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(c). From and after the effective date of any such replacement, the successor Issuing Bank shall have all the rights and obligations of the applicable replaced Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the US Borrower receives notice from any Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrowers shall deposit in an account with (i) the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders, an amount in cash and in US Dollars equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon, in each case attributable to Letters of Credit denominated in US Dollars and (ii) the London Agent, in the name of the London Agent and for the benefit of the Revolving Lenders, an amount in cash and in the applicable Foreign Currency equal to the LC Exposure (expressed in the applicable Foreign Currency) as of such date plus any accrued and unpaid interest thereon, in each case attributable to Letters of Credit denominated in Foreign Currencies, provided that the obligations set forth in the immediately preceding clauses (i), (ii) and (iii) shall become effective immediately, and such deposits shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to a Borrower described in clause (h) or (i) of Section 7.01. Each Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11(b) or (d). Each such deposit pursuant to this paragraph or Section 2.11(b) or (d) shall be held by the Applicable Agent

as collateral for the payment and performance of the obligations of each Borrower under this Agreement. Each Applicable Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Applicable Agent and at the Borrowers' risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Applicable Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrowers for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrowers under this Agreement. If any Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to such Borrower within three Business Days after all Events of Default have been cured or waived. If a Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.11(b) or (d), such amount (to the extent not applied as aforesaid) shall be returned to such Borrower as and to the extent that, after giving effect to such return, such Borrower would remain in compliance with Section 2.11(b) or (d), as applicable, and no Default shall have occurred and be continuing.

SECTION 2.06. Funding of Borrowings and B/A Drawings. (a) Each Lender shall make each Loan to be made by it and disburse the Discount Proceeds (net of applicable acceptance fees) of each B/A to be accepted and purchased by it hereunder on the proposed date thereof by wire transfer of immediately available funds in the applicable currency by 1:00 p.m., Local Time, to the account of the Applicable Agent most recently designated by it for such purpose by notice to the applicable Lenders. The Applicable Agent will make such Loans or Discount Proceeds (net of applicable acceptance fees) available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of such Borrower previously identified to the Applicable Agent (i) in New York City, in the case of Loans denominated in US Dollars, (ii) in Toronto, in the case of Loans denominated in Canadian Dollars or B/As and (iii) in London, in the case of Loans denominated in any Foreign Currency other than Canadian Dollars.

(b) Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing or acceptance and purchase of B/As that such Lender will not make available to the Applicable Agent such Lender's share of such Borrowing or the applicable Discount Proceeds (net of applicable acceptance fees), the Applicable Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing or the applicable Discount Proceeds (net of applicable acceptance fees) available to the Applicable Agent, then the applicable Lender and the Borrowers severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount with interest

thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Applicable Agent, at (i) in the case of such Lender, the greater of (x)(A) the Federal Funds Effective Rate, in the case of Loans denominated in US Dollars and (B) the rate reasonably determined by the Applicable Agent to be the cost to it of funding such amount, in the case of Loans denominated in a Foreign Currency, and (y) a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of a Borrower, the interest rate applicable to such Borrowing or the applicable Discount Rate, as the case may be. If such Lender pays such amount to the Applicable Agent, then such amount shall constitute such Lender's Loan included in such Borrowing or such Lender's purchase of B/As.

SECTION 2.07. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Each B/A Drawing shall have a Contract Period as specified in the applicable request therefor. Thereafter, the applicable Borrower may elect to convert such Borrowing or B/A Drawing to a different Type or to continue such Borrowing or B/A Drawing and, in the case of a Eurocurrency Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section, it being understood that no B/A Drawing may be converted or continued other than at the end of the Contract Period applicable thereto. The applicable Borrower may elect different options with respect to different portions of the affected Borrowing or B/A Drawing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing or accepting the B/As comprising such B/A Drawing, as the case may be, and any Loans or B/As resulting from an election made with respect to any such portion shall be considered a separate Borrowing or B/A Drawing. Notwithstanding any other provision of this Section, no Revolving Borrowing or B/A Drawing may be converted into or continued as a Revolving Borrowing or B/A Drawing with an Interest Period or Contract Period, respectively, ending after the Revolving Maturity Date.

(b) To make an election pursuant to this Section, a Borrower shall notify the Applicable Agent of such election by telephone or by telecopy (i) in the case of an election that would result in a Borrowing, by the time and date that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election, and (ii) in the case of an election that would result in a B/A Drawing or the continuation of a B/A Drawing, by the time and date that a request would be required under Section 2.20 if such Borrower were requesting an acceptance and purchase of B/As to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and, if telephonic, shall be confirmed promptly by hand delivery or telecopy to the Applicable Agent of a written Interest Election Request in a form approved by the Applicable Agent and signed by the applicable Borrower. Notwithstanding any other provision of this Section, no Borrower shall be permitted to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or a Contract Period for B/As that does not comply with Section 2.20(c) or (iii) convert any Borrowing to a different Class.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing or B/A Drawing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing or B/A Drawing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing or B/A Drawing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing, a Eurocurrency Borrowing, a Canadian Base Rate Borrowing or a B/A Drawing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period", and in the case of an election of a B/A Drawing, the Contract Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Contract Period".

If any such Interest Election Request requests a Eurocurrency Borrowing or a B/A Drawing but does not specify an Interest Period or a Contract Period, then the applicable Borrower shall be deemed to have selected an Interest Period or Contract Period of one month's or 30 days' duration, as applicable.

(d) Promptly following receipt of an Interest Election Request, the Applicable Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing or B/A Drawing.

(e) If a Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing or B/A Drawing prior to the end of the Interest Period or Contract Period applicable thereto, then, unless such Borrowing or B/A Drawing is repaid as provided herein, at the end of such Interest Period or Contract Period, such Borrowing or B/A Drawing shall (i) in the case of a Borrowing denominated in US Dollars, be converted to an ABR Borrowing, (ii) in the case of a Borrowing or B/A Drawing denominated in Canadian Dollars, be converted to a Canadian Base Rate Borrowing, and (iii) in the case of any other Eurocurrency Borrowing, be converted to a Eurocurrency Borrowing with an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the US Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing denominated in US Dollars may be converted to or continued as a Eurocurrency Borrowing, (ii) unless repaid, each Eurocurrency Borrowing denominated in US Dollars shall be converted to an ABR Borrowing at the end of the Interest Period

applicable thereto and (iii) all other Eurocurrency Borrowings and all B/A Drawings must be repaid in full at the end of the Interest Period or Contract Period, respectively, applicable thereto.

(f) Upon the conversion of any Borrowing denominated in Canadian Dollars (or portion thereof), or the continuation of any B/A Drawing (or portion thereof), to or as a B/A Drawing, the net amount that would otherwise be payable to a Borrower by each Lender pursuant to Section 2.20(f) in respect of such new B/A Drawing shall be applied against the principal of the Revolving Loan made by such Lender as part of such Borrowing (in the case of a conversion), or the reimbursement obligation owed to such Lender under Section 2.20(i) in respect of the B/As accepted by such Lender as part of such maturing B/A Drawing (in the case of a continuation), and such Borrower shall pay to such Lender an amount equal to the difference between the principal amount of such Revolving Loan or the aggregate face amount of such maturing B/As, as the case may be, and such net amount.

SECTION 2.08. Termination and Reduction of Commitments. (a) Unless previously terminated, (i) the Term Commitments shall terminate at 5:00 p.m., New York City time, on the Effective Date and (ii) the Revolving Commitments shall terminate on the Revolving Maturity Date.

(b) The US Borrower may at any time terminate, or from time to time reduce, the Commitments of any Class, provided that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of US$5,000,000 and not less than US$5,000,000, (ii) the US Borrower shall not terminate or reduce the Limited Currency Revolving Commitments if, after giving effect to any concurrent prepayment of the Limited Currency Revolving Loans in accordance with Section 2.11, (A) the sum of the Limited Currency Revolving Exposures would exceed the total Limited Currency Revolving Commitments or (B) the sum of the Foreign Currency Revolving Exposures would exceed the Foreign Currency Sublimit, (iii) the US Borrower shall not terminate or reduce the Multicurrency Revolving Commitments if, after giving effect to any concurrent prepayment of the Multicurrency Revolving Loans in accordance with Section 2.11, (A) the sum of the Multicurrency Revolving Exposures would exceed the total Multicurrency Revolving Commitments or (B) the sum of the Foreign Currency Revolving Exposures would exceed the Foreign Currency Sublimit and (iv) the US Borrower shall not terminate or reduce the US Dollar Revolving Commitments if, after giving effect to any concurrent prepayment of the US Dollar Revolving Loans in accordance with Section 2.11, the sum of the US Dollar Revolving Exposures would exceed the total US Dollar Revolving Commitments,.

(c) The US Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the US Borrower pursuant to this Section shall be irrevocable, provided that a notice of termination of any Revolving Commitments delivered by the US

Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the US Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

SECTION 2.09. Repayment of Loans and B/As; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay (i) to the Applicable Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan of such Lender made to it on the Revolving Maturity Date and the face amount of each B/A, if any, accepted by such Lender and requested by it as provided in Section 2.20, (ii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Term Loan of such Lender made to it as provided in Section 2.10 and (iii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan made to it on the earlier of the Revolving Maturity Date and the first date after such Swingline Loan is made that is the 15th or last day of a calendar month and is at least five Business Days after such Swingline Loan is made, provided that on each date that a Revolving Borrowing is made, the US Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested. Except as otherwise expressly provided herein, each Loan shall be repaid in the currency in which such Loan is denominated.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of each Borrower to such Lender resulting from each Loan made or B/A accepted by such Lender, including the amounts of principal and interest and amounts in respect of B/As payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof, the currency thereof and the Interest Period, if any, applicable thereto, and the amount of each B/A and the Contract Period applicable thereto, (ii) the amount of any principal, interest or other amount in respect of any B/A due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Agents hereunder for the account of the Lenders and each Lender's share thereof. Each other Agent shall promptly provide the Administrative Agent with all information needed to maintain such accounts in respect of the Loans or B/A Drawings administered by such Agent.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein, provided that the failure of any Lender or Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, each Borrower shall execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.10. Amortization of Term Loans. (a) Subject to adjustment pursuant to paragraph (d) of this Section, the US Borrower shall repay to the Administrative Agent for the ratable account of the Term Lenders on the last Business Day of each March, June, September and December, commencing on March 31, 2006, an aggregate principal amount equal to 0.25% of the aggregate principal amount of all Term Loans outstanding on the Effective Date.

(b) To the extent not previously paid, all Term Loans shall be due and payable on the Term Maturity Date.

(c) Any prepayment of a Term Borrowing made pursuant to Section 2.11(b) shall be applied to reduce the subsequent scheduled repayments of the Term Borrowings to be made pursuant to this Section ratably; otherwise, prepayments of Term Borrowings shall be applied as directed by the US Borrower.

(d) Prior to any repayment of any Term Borrowings hereunder, the US Borrower shall select the Borrowing or Borrowings to be repaid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York City time, three Business Days before the scheduled date of such repayment. Each repayment of a Term Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayments of Term Borrowings shall be accompanied by accrued interest on the amount repaid.

SECTION 2.11. Prepayment of Loans and B/As. (a) The Borrowers shall have the right at any time and from time to time, and without premium or penalty, to prepay any Borrowing and to cash collateralize amounts owed in respect of outstanding B/As in whole or in part, subject to prior notice in accordance with paragraph (d) of this Section and payment of any amounts required under Section 2.16, provided that all voluntary prepayments of Term Loans effected on or prior to the first anniversary of the Effective Date with the proceeds of an issuance or incurrence of Indebtedness by Parent, any Borrower or any other Subsidiary will be accompanied by a prepayment fee equal to 1.00% of the aggregate principal amount of such prepayment. Such fee shall be paid by the US Borrower to the Administrative Agent, for the accounts of the relevant Term Lenders, on the date of such prepayment.

(b) In the event and on such occasion that (i) the aggregate amount of the Limited Currency Revolving Exposures exceeds the aggregate amount of the Limited

Currency Revolving Commitments, (ii) the aggregate amount of the Multicurrency Revolving Exposures exceeds the aggregate amount of the Multicurrency Revolving Commitments, (iii) the aggregate amount of the US Dollar Revolving Exposures exceeds the aggregate amount of the US Dollar Revolving Commitments or (iv) the aggregate amount of the Foreign Currency Revolving Exposures exceeds the Foreign Currency Sublimit (in each case, other than solely as a result of changes in Exchange Rates), then, in each case, the Borrowers shall, not later than the next Business Day, prepay one or more Borrowings or cash collateralize amounts owing in respect of outstanding B/As (or, if no such Borrowings or B/As are outstanding, deposit cash collateral in an account with the Administrative Agent pursuant to Section 2.05(j)) in an aggregate amount sufficient to eliminate the applicable excess. If on any Reset Date and solely as a result of changes in Exchange Rates, (i) the aggregate amount of the Limited Currency Revolving Exposures exceeds 105% of the aggregate amount of the Limited Currency Revolving Commitments, (ii) the aggregate amount of the Multicurrency Revolving Exposures exceeds 105% of the aggregate amount of the Multicurrency Revolving Commitments, or (iii) the aggregate amount of the Foreign Currency Revolving Exposures exceeds 105% of the Foreign Currency Sublimit, then, in each case, the Borrowers shall, not later than the next Business Day, prepay one or more Borrowings or cash collateralize amounts owing in respect of outstanding B/As (or, if no such Borrowings or B/As are outstanding, deposit cash collateral in an account with the Administrative Agent pursuant to Section 2.05(j)) in an aggregate amount sufficient to eliminate the applicable excess.

(c) In the event and on each occasion that any Net Proceeds are received by or on behalf of Parent, any Borrower or any other Subsidiary in respect of any Prepayment Event, the Borrowers shall, within ten Business Days after such Net Proceeds are received, prepay Term Borrowings in an aggregate amount equal to such Net Proceeds, provided that in the case of any event described in clause (a) or (b) of the definition of the term Prepayment Event, if the US Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer (i) to the effect that Parent, the US Borrower or any other Subsidiary intends to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 365 days after receipt of such Net Proceeds, (A) in the case of any sale, transfer or other disposition of real property or interests therein of Parent, any Borrower or any other Subsidiary, to acquire (including through the acquisition of a Person substantially all of whose assets consist of real property or interests therein), improve, enlarge, develop or make Capital Expenditures with respect to real property or interests therein to be used in the business of Parent, the Borrowers and the other Subsidiaries or (B) in the case of any other sale of property or assets of Parent, any Borrower or any other Subsidiary, to acquire (including through the acquisition of a Person substantially all of whose assets consist of equipment or other tangible personal property), improve, enlarge, develop or make Capital Expenditures in respect of equipment or other tangible personal property to be used in the business of Parent, the Borrowers and the other Subsidiaries, provided that if the Net Proceeds from such other sale of property or assets of Parent, any Borrower or any other Subsidiary do not exceed US$500,000 (or the US Dollar Equivalent thereof), such Net Proceeds may also be applied to acquire (including through the acquisition of a Person substantially all of whose assets consist of real property or interests therein), improve, enlarge, develop or make Capital Expenditures with respect to real property or interests therein to be used in

the business of Parent, the Borrowers and the other Subsidiaries and (ii) certifying that no Default has occurred and is continuing, then, in each case, no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds in respect of such event (or the portion of such Net Proceeds specified in such certificate, if applicable) except to the extent of any such Net Proceeds therefrom that (x) with respect to any sale, transfer or other disposition of real property or interests therein, Parent, any Borrower or any other Subsidiary have not so applied by the end of such 365-day period or entered into contractual arrangements to so apply (and actually so apply) by the date that is 180 days after the end of such 365-day period and (y) with respect to any other sale, transfer or other disposition, Parent, any Borrower or any other Subsidiary have not so applied by the end of such 365-day period.

(d) Prior to any optional or mandatory prepayment of Borrowings or cash collateralization of amounts owing in respect of outstanding B/A Drawings, the applicable Borrower shall select the Borrowing or Borrowings and the B/A Drawing or Drawings to be prepaid or cash collateralized and shall specify such selection in the notice of such prepayment pursuant to paragraph (e) of this Section.

(e) The applicable Borrower shall notify the Applicable Agent by telephone (confirmed by telecopy) or by telecopy of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Revolving Borrowing, not later than 11:00 a.m., Local time, three Business Days before the date of prepayment, or (ii) in the case of prepayment of an ABR Borrowing or a Canadian Base Rate Borrowing or cash collateralization of a B/A Drawing, not later than 11:00 a.m., Local time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment or cash collateralization date and the principal amount of each Borrowing or portion thereof, or amount owed in respect of an outstanding B/A Drawing or portion thereof, to be prepaid or cash collateralized, provided that if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.08. Promptly following receipt of any such notice relating to a Borrowing or B/A, the Applicable Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing or cash collateralization of amounts owing in respect of a B/A Drawing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02 or an acceptance and purchase of B/As as provided in Section 2.20. Each prepayment of a Borrowing or cash collateralization of a B/A Drawing shall be applied ratably to the Loans included in the prepaid Borrowing or the B/As included in such B/A Drawing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13. Except as otherwise expressly provided herein, each Loan shall be prepaid in the currency in which such Loan is denominated.

(f) Amounts to be applied pursuant to this Section or Article VII to cash collateralize amounts to become due with respect to outstanding B/As shall be deposited in the Prepayment Account (as defined below). The Canadian Agent shall apply any cash deposited in the Prepayment Account allocable to amounts to become due in respect of

B/As on the last day of their respective Contract Periods until all amounts due in respect of outstanding B/As have been prepaid or until all the allocable cash on deposit has been exhausted. For purposes of this Agreement, the term "Prepayment Account" means an account established by a Canadian Borrower with the Canadian Agent and over which the Canadian Agent shall have exclusive dominion and control, including the exclusive right of withdrawal for application in accordance with this paragraph (f). The Canadian Agent will, at the request of such Canadian Borrower, invest amounts on deposit in the Prepayment Account in short-term, cash equivalent investments selected by the Canadian Agent in consultation with such Canadian Borrower that mature prior to the last day of the applicable Contract Periods of the B/As to be prepaid, provided that the Canadian Agent shall have no obligation to invest amounts on deposit in the Prepayment Account if an Event of Default shall have occurred and be continuing. The Borrowers shall indemnify the Canadian Agent for any losses relating to the investments so that the amount available to prepay amounts due in respect of B/As on the last day of the applicable Contract Period is not less than the amount that would have been available had no investments been made pursuant thereto. Other than any interest earned on such investments (which shall be for the account of such Canadian Borrower, to the extent not necessary for the prepayment of B/As in accordance with this Section and Article VII), the Prepayment Account shall not bear interest. Interest or profits, if any, on such investments shall be deposited in the Prepayment Account and reinvested and disbursed as specified above. If the maturity of the Loans and all amounts due hereunder has been accelerated pursuant to Article VII, the Canadian Agent may, in its sole discretion, apply all amounts on deposit in the Prepayment Account to satisfy any of the Obligations in respect of the Loans, unreimbursed LC Disbursements and B/As (and each Borrower hereby grants to the Canadian Agent a security interest in its Prepayment Account to secure such Obligations).

SECTION 2.12. Fees. (a) The US Borrower agrees to pay to the Administrative Agent, in US Dollars, for the account of the office (or Affiliate) of each Lender from which such Lender would make Loans to the US Borrower in US Dollars hereunder (which office or Affiliate shall be specified by each Lender in a notice delivered to the Administrative Agent prior to the initial payment to such Lender under this paragraph) a commitment fee, which shall accrue at the Applicable Rate on the average daily unused amount of the total Revolving Commitments of such Lender during the period from and including the date of this Agreement to but excluding the date on which such Revolving Commitments terminate. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees with respect to Revolving Commitments, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender (and the Swingline Exposure of such Lender (other than the Swingline Lender) shall be disregarded for such purpose).

(b) Each Canadian Borrower agrees to pay to the Canadian Agent, in US Dollars, for the account of each Revolving Lender, on each date on which a B/A drawn by such Canadian Borrower is accepted hereunder an acceptance fee computed by multiplying the US Dollar Equivalent of the face amount of each such B/A by the product of (i) the Applicable Rate for B/A Drawings on such date by (ii) a fraction, the numerator of which is the number of days in the Contract Period applicable to such B/A and the denominator of which is 365.

(c) The US Borrower agrees to pay, in US Dollars, (i) to the Administrative Agent for the account of each Participating Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Participating Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Participating Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as each Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date, provided that all such fees shall be payable on the date on which the Participating Revolving Commitments terminate and any such fees accruing after the date on which the Participating Revolving Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph which accrue during any calendar month shall be payable within 5 Business Days after the end of such calendar month. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) The applicable Borrower agrees to pay to the Administrative Agent, in US Dollars, for its own account, fees payable in the amounts and at the times separately agreed upon between such Borrower and the Administrative Agent.

(e) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the applicable Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate, and the Loans comprising each Canadian Base Rate Borrowing shall bear interest at the Canadian Base Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted Eurocurrency Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Revolving Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments, provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan or Canadian Base Rate Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) interest on Borrowings denominated in Sterling and (ii) interest computed by reference to the Canadian Base Rate or to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or, except in the case of Borrowings denominated in Sterling, 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Canadian Base Rate or Adjusted Eurocurrency Rate shall be determined by the Applicable Agent and the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing denominated in any currency:

(a) the Applicable Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not

exist for ascertaining the Adjusted Eurocurrency Rate, the LIBO Rate or the EURIBO Rate, as applicable, for such Interest Period; or

(b) the Applicable Agent is advised by the Required Lenders that the Adjusted Eurocurrency Rate, the LIBO Rate or the EURIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Applicable Agent shall give notice thereof to the applicable Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Applicable Agent notifies the Borrowers and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurocurrency Borrowing in such currency for such Interest Period shall be ineffective, and such Borrowing shall be converted to or continued on the last day of the Interest Period applicable thereto (A) if such Borrowing is denominated in US Dollars or Canadian Dollars, as an ABR Borrowing or Canadian Base Rate Borrowing, respectively, or (B) if such Borrowing is denominated in any other currency, as a Borrowing bearing interest at such rate as the Lenders and the applicable Borrower may agree adequately reflects the costs to the Lenders of making or maintaining their Loans (or, in the absence of such agreement, shall be repaid as of the last day of the current Interest Period applicable thereto) and (ii) if any Borrowing Request requests a Eurocurrency Revolving Borrowing in such currency for such Interest Period, (X) if such Borrowing is denominated in US Dollars or Canadian Dollars, such Borrowing shall be made as an ABR Borrowing or Canadian Base Rate Borrowing, respectively (or such Borrowing shall not be made if the applicable Borrower revokes (and in such circumstances, such Borrowing Request may be revoked notwithstanding any other provision of this Agreement) such Borrowing Request by telephonic notice, confirmed promptly in writing, not later than one Business Day prior to the proposed date of such Borrowing) or (Y) if such Borrowing is denominated in any other currency, such Borrowing shall bear interest at such rate as the Lenders and the applicable Borrower may agree adequately reflects the costs to the Lenders of making or maintaining their Loans (or, in the absence of such agreement, such Borrowing shall be cancelled).

SECTION 2.15. Increased Costs; Illegality. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Eurocurrency Rate) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the Euro, London or Canadian interbank markets any other condition affecting this Agreement or Eurocurrency Loans or B/A Drawings made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan or obtaining funds for the purchase of B/As (or of maintaining its obligation to make any such Loan or to accept and purchase B/As) or to increase the cost to such Lender or any Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, on an after-tax basis for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding such Lender's or Issuing Bank's capital requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by an Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's, or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to any Borrower and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) If the cost to any Lender of making or maintaining any Loan to or obtaining funds for the purchase of B/As from or participating in any Letter of Credit or any Issuing Bank of issuing or maintaining any Letter of Credit to any Foreign Borrower is increased (or the amount of any sum received or receivable by any Lender (or its applicable lending office) or any Issuing Bank is reduced) by an amount deemed in good faith by such Lender or such Issuing Bank to be material, by reason of the fact that such Foreign Borrower is incorporated in, or conducts business in, a jurisdiction outside the United States, such the Borrowers shall indemnify such Lender or such Issuing Bank for such increased cost or reduction upon demand by such Lender or such Issuing Bank (with a copy to the Administrative Agent). A certificate of such Lender or such Issuing Bank claiming compensation under this paragraph and setting forth the additional amount or amounts to be paid to it hereunder (and the basis for the calculation of such amount or amounts) shall be conclusive in the absence of manifest error.

(e) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies any Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor, provided further that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(f) Notwithstanding any other provision of this Agreement, if, after the date hereof, (i) any Change in Law shall make it unlawful for any Revolving Lender to make or maintain any Foreign Currency Revolving Loan or to give effect to its obligations as contemplated hereby with respect to any Foreign Currency Revolving Loan or (ii) there shall have occurred any change in national or international financial, political or economic conditions (including the imposition of or any change in exchange controls) or currency exchange rates that would make it impracticable for any Revolving Lender to make or maintain Foreign Currency Revolving Loans denominated in the affected currency, then, by written notice to the applicable Borrower and to the Applicable Agent:

(i) such Revolving Lender or Revolving Lenders may declare that Foreign Currency Revolving Loans in the affected currency or currencies will not thereafter (for the duration of such unlawfulness or impracticality) be made by such Lender or Lenders hereunder (or, in the case of outstanding Foreign Currency Revolving Loans, be continued for additional Interest Periods), whereupon any request for a Foreign Currency Revolving Borrowing in the affected currency or currencies (or to continue a Foreign Currency Revolving Borrowing in the affected currency or currencies for an additional Interest Period) shall, as to such Revolving Lender or Revolving Lenders only, be deemed a request for an Eurocurrency Loan having an Interest Period of one month's duration and denominated in US Dollars at the Exchange Rate determined by the Administrative Agent in accordance with this Agreement (or a request to convert a Foreign Currency Revolving Loan into a Eurocurrency Loan having an Interest Period of one month's duration and denominated in US Dollars at the Exchange Rate determined by the Administrative Agent in accordance with this Agreement on the last day of the then current Interest Period with respect thereto), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding Foreign Currency Revolving Loans in the affected currency or currencies made by it be converted to Eurocurrency Loans having an Interest Period of one month's duration and denominated in US Dollars, in which event all such Foreign Currency Revolving Loans in the affected currency or currencies shall be converted to Eurocurrency Loans having an Interest Period of one month's duration and denominated in US

Dollars, as of the effective date of such notice as provided in paragraph (g) below and at the Exchange Rate determined by the Administrative Agent in accordance with this Agreement on the date of such conversion.

In the event any Revolving Lender shall exercise its rights under clause (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the Foreign Currency Revolving Loans that would have been made by such Revolving Lender or the converted Foreign Currency Revolving Loans of such Lender shall instead be applied to repay the Eurocurrency Loans made by such Lender in lieu of, or resulting from the conversion of, such Foreign Currency Revolving Loans.

(g) For purposes of paragraph (f) of this Section 2.15, a notice to the applicable Borrower by any Lender shall be effective as to each Foreign Currency Revolving Loan made by such Lender, if lawful, on the last day of the Interest Period currently applicable to such Loan; in all other cases such notice shall be effective on the date of receipt thereof by the applicable Borrower.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan or in respect of a B/A other than on the last day of an Interest Period or Contract Period, as the case may be, applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan or B/A other than on the last day of the Interest Period or Contract Period, as the case may be, applicable thereto, (c) the failure to borrow, convert, continue or prepay any Revolving Loan or to issue B/As for acceptance and purchase on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(e) and is revoked in accordance therewith), or (d) the assignment of any Eurocurrency Loan or the right to receive payment in respect of a B/A other than on the last day of the Interest Period or Contract Period, as the case may be, applicable thereto as a result of a request by the US Borrower pursuant to Section 2.19 or the CAM Exchange, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted Eurocurrency Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the eurocurrency market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, together with supporting documentation or computations, shall be delivered to the applicable Borrower and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes, provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions of Indemnified Taxes or Other Taxes (including deductions applicable to additional sums payable under this Section) the Agent, Issuing Bank or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the applicable Borrower shall pay any Other Taxes to the relevant Governmental Authorities in accordance with applicable law.

(c) The applicable Borrower shall indemnify each Agent, each Lender and each Issuing Bank, within 10 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Borrower hereunder or under any other Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable detail the amount and nature of such payment or liability delivered to any Borrower by a Lender, by an Issuing Bank or by an Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Borrower to a Governmental Authority, such Borrowers shall deliver to the Applicable Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Applicable Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the laws of the United States of America, or any treaty to which the United States of America is a party, with respect to payments under this Agreement shall deliver to the US Borrower (with a copy to the Administrative Agent), at the time or times prescribed by US law, such properly completed and executed documentation prescribed by US law or reasonably requested by the US Borrower as will permit such payments to be made without withholding or at a reduced rate. Parent and each Borrower agree to take all actions required in order for all exemptions from withholding taxes available to any Foreign Lender to be effective.

(f) If an Agent, a Lender or an Issuing Bank determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the applicable Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section 2.17 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Agent, such Lender or such Issuing Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Borrowers, upon the request of such Agent, such Lender or such Issuing Bank, agree to repay the amount paid over to the applicable Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Agent, such Lender or such Issuing Bank in the event such Agent, such Lender or such Issuing Bank is required to repay such refund to such Governmental Authority. This Section shall not be construed to require any Agent, any Lender or any Issuing Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Borrower or any other Person.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17 or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 12:00 noon, Local Time), on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Applicable Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Applicable Agent to the applicable account specified from time to time by such Agent for the account of the applicable Lenders, except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Applicable Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder of principal or interest in respect of any Loan or amounts owing in respect of any B/A Drawing (or of any breakage indemnity in respect of any Loan or B/A Drawing) shall be made in the currency of such Loan or B/A Drawing; all other payments hereunder and under each other Loan Document shall be made in US Dollars, except as otherwise expressly provided. Any payment required to be made by an Agent hereunder shall be deemed to have been made by the time required if such Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by such Agent to make such payment.

(b) If at any time insufficient funds are received by and available to any Agent from any Borrower to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due from such Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal of the Loans and unreimbursed LC Disbursements then due from such Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans, amounts owing in respect of any B/A Drawing or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans, amounts owing in respect of any B/A Drawing or participations in LC Disbursements, and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans, amounts owing in respect of any B/A Drawing or participations in LC Disbursements, as applicable, of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans, amounts owing in respect of any B/A Drawing and participations in LC Disbursements, provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans, amounts owing in respect of B/A Drawings or participations in LC Disbursements to any assignee or participant, other than to a Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Applicable Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Applicable Agent for the account of the Lenders or any Issuing Bank hereunder that the applicable Borrower will not make such payment, the Applicable Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Applicable Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including

the date such amount is distributed to it to but excluding the date of payment to the Applicable Agent, at (i) the greater of the Federal Funds Effective Rate and a rate determined by the Applicable Agent in accordance with banking industry rules on interbank compensation (in the case of an amount denominated in US Dollars) and (ii) the rate reasonably determined by the Applicable Agent to be the cost to it of funding such amount (in the case of an amount denominated in any Foreign Currency).

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(c), 2.05(d) or (e), 2.06(b), 2.18(d) or 9.03(c), then the Applicable Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Applicable Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Borrower is required to pay any additional interest to any Lender pursuant to Section 2.22, then such Lender shall use commercially reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15, 2.17 or 2.22 as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(e) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Borrower is required to pay any additional interest to any Lender pursuant to Section 2.22, or if any Lender defaults in its obligation to fund Loans hereunder, then the US Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that (i) to the extent required under Section 9.04, the US Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and B/As and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the US Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments

required to be made pursuant to Section 2.17 or additional interest required pursuant to Section 2.22, such assignment will result in a reduction in such compensation, payments, additional interest or administrative burden to any Borrower that is beneficial to such Borrower in a material respect.

SECTION 2.20. Canadian Bankers' Acceptances. (a) Each acceptance and purchase of B/As of a single Contract Period pursuant to Section 2.01 or Section 2.07 shall be made ratably by the Multicurrency Revolving Lenders in accordance with the amounts of their Multicurrency Revolving Commitments. The failure of any Multicurrency Revolving Lender to accept any B/A required to be accepted by it shall not relieve any other Multicurrency Revolving Lender of its obligations hereunder, provided that the Multicurrency Revolving Commitments are several and no Multicurrency Revolving Lender shall be responsible for any other Multicurrency Revolving Lender's failure to accept B/As as required.

(b) The B/As of a single Contract Period accepted and purchased on any date shall be in an aggregate amount that is an integral multiple of C$5,000,000 and not less than C$1,000,000. The face amount of each B/A shall be C$100,000 or any whole multiple thereof. If any Multicurrency Revolving Lender's ratable share of the B/As of any Contract Period to be accepted on any date would not be an integral multiple of C$100,000, the face amount of the B/As accepted by such Lender may be increased or reduced to the nearest integral multiple of C$100,000 by the Canadian Agent in its sole discretion. B/As of more than one Contract Period may be outstanding at the same time, provided that there shall not at any time be more than a total of 5 B/A Drawings outstanding.

(c) To request an acceptance and purchase of B/As, a Canadian Borrower shall notify the Canadian Agent of such request by telephone or by telecopy not later than 10:00 a.m., Local Time, one Business Day before the date of such acceptance and purchase. Each such request shall be irrevocable and, if telephonic, shall be confirmed promptly by hand delivery or telecopy to the Canadian Agent of a written request in a form approved by the Canadian Agent and signed by such Canadian Borrower. Each such telephonic and written request shall specify the following information:

(i) the aggregate face amount of the B/As to be accepted and purchased;

(ii) the date of such acceptance and purchase, which shall be a Business Day;

(iii) the Contract Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Contract Period" (and which shall in no event end after the Revolving Maturity Date); and

(iv) the location and number of the applicable Canadian Borrower's account to which any funds are to be disbursed, which shall comply with the requirements of Section 2.06. If no Contract Period is specified with respect to

any requested acceptance and purchase of B/As, then the Canadian Borrower shall be deemed to have selected a Contract Period of 30 days' duration.

Promptly following receipt of a request in accordance with this paragraph, the Canadian Agent shall advise each Multicurrency Revolving Lender of the details thereof and of the amount of B/As to be accepted and purchased by such Lender

(d) Each Canadian Borrower hereby appoints each Multicurrency Revolving Lender as its attorney to sign and endorse on its behalf, manually or by facsimile or mechanical signature, as and when deemed necessary by such Lender, blank forms of B/As. It shall be the responsibility of each Multicurrency Revolving Lender to maintain an adequate supply of blank forms of B/As for acceptance under this Agreement. Each Canadian Borrower recognizes and agrees that all B/As signed and/or endorsed on its behalf by any Multicurrency Revolving Lender shall bind such Canadian Borrower as fully and effectually as if manually signed and duly issued by authorized officers of such Canadian Borrower. Each Multicurrency Revolving Lender is hereby authorized to issue such B/As endorsed in blank in such face amounts as may be determined by such Lender, provided that the aggregate face amount thereof is equal to the aggregate face amount of B/As required to be accepted by such Lender. No Multicurrency Revolving Lender shall be liable for any damage, loss or claim arising by reason of any loss or improper use of any such instrument unless such loss or improper use results from the gross negligence or willful misconduct of such Multicurrency Revolving Lender. Each Multicurrency Revolving Lender shall maintain a record with respect to B/As (i) received by it from the Canadian Agent in blank hereunder, (ii) voided by it for any reason, (iii) accepted and purchased by it hereunder and (iv) canceled at their respective maturities. Each Multicurrency Revolving Lender further agrees to retain such records in the manner and for the periods provided in applicable provincial or Federal statutes and regulations of Canada and to provide such records to each Canadian Borrower upon its request and at its expense. Upon request by any Canadian Borrower, a Multicurrency Revolving Lender shall cancel all forms of B/A that have been pre-signed or pre-endorsed on behalf of such Canadian Borrower and that are held by such Multicurrency Revolving Lender and are not required to be issued pursuant to this Agreement.

(e) Drafts of each Canadian Borrower to be accepted as B/As hereunder shall be signed as set forth in paragraph (d) above. Notwithstanding that any Person whose signature appears on any B/A may no longer be an authorized signatory for any of the Multicurrency Revolving Lenders or such Canadian Borrower at the date of issuance of such B/A, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such B/A so signed shall be binding on such Canadian Borrower.

(f) Upon acceptance of a B/A by a Multicurrency Revolving Lender, such Multicurrency Revolving Lender shall purchase, or arrange the purchase of, such B/A from the applicable Canadian Borrower at the Discount Rate for such Multicurrency Revolving Lender applicable to such B/A accepted by it and provide to the Canadian Agent the Discount Proceeds for the account of such Canadian Borrower as provided in

Section 2.06. The acceptance fee payable by the applicable Canadian Borrower to a Multicurrency Revolving Lender under Section 2.12 in respect of each B/A accepted by such Multicurrency Revolving Lender shall be set off against the Discount Proceeds payable by such Multicurrency Revolving Lender under this paragraph. Notwithstanding the foregoing, in the case of any B/A Drawing resulting from the conversion or continuation of a B/A Drawing or Multicurrency Revolving Loan pursuant to Section 2.07, the net amount that would otherwise be payable to such Canadian Borrower by each Lender pursuant to this paragraph will be applied as provided in Section 2.07(f).

(g) Each Multicurrency Revolving Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all B/A's accepted and purchased by it.

(h) Each B/A accepted and purchased hereunder shall mature at the end of the Contract Period applicable thereto.

(i) Each Canadian Borrower waives presentment for payment and any other defense to payment of any amounts due to a Multicurrency Revolving Lender in respect of a B/A accepted and purchased by it pursuant to this Agreement which might exist solely by reason of such B/A being held, at the maturity thereof, by such Multicurrency Revolving Lender in its own right and each Canadian Borrower agrees not to claim any days of grace if such Multicurrency Revolving Lender as holder sues each Canadian Borrower on the B/A for payment of the amounts payable by such Canadian Borrower thereunder. On the specified maturity date of a B/A, or such earlier date as may be required pursuant to the provisions of this Agreement, each Canadian Borrower shall pay the Multicurrency Revolving Lender that has accepted and purchased such B/A the full face amount of such B/A, and after such payment such Canadian Borrower shall have no further liability in respect of such B/A and such Lender shall be entitled to all benefits of, and be responsible for all payments due to third parties under, such B/A.

(j) At the option of each Canadian Borrower and any Multicurrency Revolving Lender, B/As under this Agreement to be accepted by that Lender may be issued in the form of depository bills for deposit with The Canadian Depository for Securities Limited pursuant to the Depository Bills and Notes Act (Canada). All depository bills so issued shall be governed by the provisions of this Section 2.20.

(k) If a Multicurrency Revolving Lender is not a chartered bank under the Bank Act (Canada) or if a Multicurrency Revolving Lender notifies the Canadian Agent in writing that it is otherwise unable to accept B/As, such Multicurrency Revolving Lender will, instead of accepting and purchasing B/As, make a Loan (a "B/A Equivalent Loan") to the applicable Canadian Borrower in the amount and for the same term as the draft which such Multicurrency Revolving Lender would otherwise have been required to accept and purchase hereunder. Each such Multicurrency Revolving Lender will provide to the Canadian Agent the Discount Proceeds of such B/A Equivalent Loan for the account of the applicable Canadian Borrower in the same manner as such Multicurrency Revolving Lender would have provided the Discount Proceeds in respect of the draft which such Multicurrency Revolving Lender would otherwise have been required to

accept and purchase hereunder. Each such B/A Equivalent Loan will bear interest at the same rate which would result if such Multicurrency Revolving Lender had accepted (and been paid an acceptance fee) and purchased (on a discounted basis) a B/A for the relevant Contract Period (it being the intention of the parties that each such B/A Equivalent Loan shall have the same economic consequences for the Multicurrency Revolving Lenders and the applicable Canadian Borrower as the B/A which such B/A Equivalent Loan replaces). All such interest shall be paid in advance on the date such B/A Equivalent Loan is made, and will be deducted from the principal amount of such B/A Equivalent Loan in the same manner in which the Discount Proceeds of a B/A would be deducted from the face amount of the B/A. Subject to the repayment requirements of this Agreement, on the last day of the relevant Contract Period for such B/A Equivalent Loan, the applicable Canadian Borrower shall be entitled to convert each such B/A Equivalent Loan into another type of Loan, or to roll over each such B/A Equivalent Loan into another B/A Equivalent Loan, all in accordance with the applicable provisions of this Agreement.

SECTION 2.21. Incremental Commitments. (a) Any Borrower may, by written notice to the Administrative Agent from time to time, request Incremental Term Commitments and/or Incremental Revolving Commitments in an amount not to exceed the Incremental Amount from one or more Incremental Term Lenders and/or Incremental Revolving Lenders (which may include any existing Lender or any Person not theretofore a Lender) willing to provide such Incremental Term Loans and/or Incremental Revolving Loans, as the case may be, in their own discretion, provided that each Incremental Term Lender and/or Incremental Revolving Lender shall be subject to the approval of the US Borrower and the Administrative Agent to the extent that such approval would be required under Section 9.04 if the applicable Incremental Term Lender or Incremental Revolving Lender were the proposed assignee of a Term Commitment or Revolving Commitment, respectively (which approvals shall not be unreasonably withheld). Such notice shall set forth (i) the amount of the Incremental Term Commitments and/or Incremental Revolving Commitments being requested (which shall be in minimum increments of US$25,000,000 and a minimum amount of US$25,000,000 or equal to the remaining Incremental Amount) and (ii) the date on which such Incremental Term Commitments and/or Incremental Revolving Commitments are requested to become effective (the "Increased Amount Date").

(b) Each Borrower and each Incremental Term Lender and/or Incremental Revolving Lender shall execute and deliver to the Administrative Agent an Incremental Assumption Agreement and such other documentation as the Administrative Agent shall reasonably specify to evidence the Incremental Term Commitment of such Incremental Term Lender and/or Incremental Revolving Commitment of such Incremental Revolving Lender and the security and Guarantees therefor (the "Incremental Documents"). Each Incremental Assumption Agreement shall specify the terms of the Incremental Term Loans and/or Incremental Revolving Loans to be made thereunder, provided that (i) the Incremental Term Loans and Incremental Revolving Loans shall rank pari passu or junior in right of payment and of security with the Term Loans, and Revolving Loans and (except as to pricing and amortization) shall have the same terms as the Term Loans or Revolving Loans, as applicable, (ii) the maturity date of any Incremental Term Loans or

Incremental Revolving Loans shall be no earlier than the date that is six months after the Term Maturity Date, (iii) the weighted average life to maturity of any Incremental Term Loans shall be no shorter than the remaining weighted average life to maturity of the Term Loans as of the date of the applicable Incremental Assumption Agreement and (iv) no interest rate margin (which shall be deemed to include all upfront or similar fees or original issue discounts payable to all Incremental Term Lenders providing such Incremental Term Loans) in respect of any Incremental Term Loan may exceed any Applicable Rate applicable to the Term Loans (which shall, for such purposes only, be deemed to include all upfront or similar fees or original issue discounts payable to all Term Lenders providing Term Loans) by more than 0.25% (it being understood that any such increase may take the form of original issue discount, with original issue discount being equated to the interest rates in a manner reasonably determined by the Administrative Agent based on an assumed four-year life to maturity), without increasing such Applicable Rate so that no interest rate margin in respect of such Incremental Term Loans (which shall be deemed to include all upfront or similar fees or original issue discount payable to all Incremental Term Lenders providing such Incremental Term Loans), is more than 0.25% higher than any Applicable Rate applicable to the Term Loans (which shall, for such purposes only, be deemed to include all upfront or similar fees or original issue discount payable to all Term Lenders providing the Term Loans). The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Assumption Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Assumption Agreement, this Agreement shall be amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Incremental Term Commitments and/or Incremental Revolving Commitments evidenced thereby as provided for in Section 9.04(e). Any such deemed amendment may be memorialized in writing by the Administrative Agent and furnished to the other parties hereto.

(c) Notwithstanding the foregoing, no Incremental Term Commitment or Incremental Revolving Commitment shall become effective under this Section 2.21 unless (i) on the date of such effectiveness, the conditions set forth in paragraphs (a) and (b) of Section 4.02 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer, (ii) the Administrative Agent shall have received the applicable Incremental Documents and all legal opinions and other documents related thereto and (iii) immediately before and after giving pro forma effect to such Incremental Term Commitment and/or Incremental Revolving Commitments and the Loans to be made thereunder and the application of the proceeds therefrom, no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16).

(d) Each of the parties hereto hereby agrees that the Administrative Agent may take any and all action as may be reasonably necessary to ensure that all Incremental Term Loans and/or Incremental Revolving Loans, when originally made, are included in each Borrowing of outstanding Term Loans or Revolving Loans on a pro rata basis, and the Borrowers agree that Section 2.16 shall apply to any conversion of Eurocurrency Loans to ABR Loans or Canadian Base Rate Loans reasonably required by the Administrative Agent to effect the foregoing.

SECTION 2.22. Additional Reserve Costs. (a) If and so long as any Lender is required under regulations of the Bank of England or the Financial Services Authority of the United Kingdom to make special deposits with the Bank of England, to maintain reserve asset ratios or to pay fees, in each case in respect of such Lender's Eurocurrency Loans in any Foreign Currency and pursuant to such regulations, such Lender may require the applicable Borrower to pay, contemporaneously with each payment of interest on each of such Loans, additional interest on such Loan at a rate per annum equal to the Mandatory Costs Rate calculated in accordance with the formula and in the manner set forth in Exhibit G hereto.

(b) If and so long as any Lender is required to comply with reserve assets, liquidity, cash margin or other requirements of any monetary or other authority (including any such requirement imposed by the European Central Bank or the European System of Central Banks, but excluding requirements reflected in the Statutory Reserve Rate or the Mandatory Costs Rate) in respect of any of such Lender's Eurocurrency Loans in any Foreign Currency, such Lender may require the applicable Borrower to pay, contemporaneously with each payment of interest on each of such Lender's Eurocurrency Loans subject to such requirements, additional interest on such Loan at a rate per annum specified by such Lender to be the cost to such Lender of complying with such requirements in relation to such Loan.

(c) A certificate of the applicable Lender setting forth in reasonable detail the additional interest owed pursuant to paragraph (a) or (b) above of this Section shall be delivered to the applicable Borrower (with a copy to the Applicable Agent) at least five Business Days before each date on which interest is payable for the relevant Loan and shall be conclusive absent manifest error. Such additional interest so notified to the applicable Borrower by such Lender shall be payable to the Applicable Agent for the account of such Lender on each date on which interest is payable for such Loan.

SECTION 2.23. Foreign Borrowers. On or after the Effective Date, the US Borrower may deliver to the Administrative Agent a Foreign Borrower Agreement executed by a Wholly Owned Foreign Subsidiary and the US Borrower, and after (i) ten Business Days have elapsed after such delivery and (ii) receipt by the Lenders and the Administrative Agent of such documentation and other information reasonably requested by the Lenders or the Administrative Agent for purposes of complying with all necessary "know your customer" or other similar checks under all applicable laws and regulations, such Subsidiary shall for all purposes of this Agreement be a Foreign Borrower and a party to this Agreement, provided that each Foreign Borrower shall also be a Foreign Guarantor. Upon the execution by the US Borrower and a Foreign Borrower and delivery to the Administrative Agent of a Foreign Borrower Termination with respect to such Foreign Borrower, such Foreign Borrower shall cease to be a Foreign Borrower and a party to this Agreement, provided that no Foreign Borrower Termination will become effective as to any Foreign Borrower (other than to terminate such Foreign Borrower's right to make further Borrowings under this Agreement) at a time when any Loan to, B/A on behalf of or Letter of Credit issued to such Foreign Borrower shall be outstanding hereunder. Promptly following receipt of any Foreign Borrower Agreement or Foreign

Borrower Termination, the Administrative Agent shall send a copy thereof to each Lender.

ARTICLE III

Representations and Warranties

Each of Parent and the Borrowers represents and warrants to the Agents and the Lenders that:

SECTION 3.01. Organization; Powers. Each of Parent, the Borrowers and the other Subsidiaries is duly organized, validly existing and (to the extent the concept is applicable in such jurisdiction) in good standing under the laws of the jurisdiction of its organization, has all requisite corporate or equivalent power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational action and, if required, stockholder or other equity holder action. This Agreement has been duly executed and delivered by each of Parent and the Borrowers and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of Parent, the Borrowers or such Loan Party (as the case may be), enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions to be entered into by each Loan Party (a) do not require any consent or approval of, registration or filing with or any other action by any Governmental Authority to be made or obtained by any Loan Party pursuant to any applicable law, rule or regulation applicable to it, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created under the Loan Documents, (b) will not violate any law, rule or regulation applicable to it or the charter, by-laws or other organizational documents of Parent, any Borrower or any other Subsidiary or any order of any Governmental Authority binding on any of them, (c) will not result in a breach of, or constitute a default under, any indenture or other material agreement or instrument binding upon Parent, any Borrower or any other Subsidiary or its assets, or give rise to a right thereunder to require any payment to be made by Parent, any Borrower or any other Subsidiary, and (d) will not result in the creation or imposition of any Lien on any asset of Parent, any Borrower or any other Subsidiary pursuant to the

express provisions of any indenture or other material agreement or instrument to which it is a party or bound, except Liens created under the Loan Documents.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) Parent and the US Borrower have heretofore furnished to the Lenders (i) Parent's audited consolidated balance sheet as of the fiscal years ended December 31, 2003 and 2004, reported on by Ernst & Young LLP, independent public accountants, (ii) Parent's audited consolidated statements of operations, changes in stockholder's equity and cash flows for the fiscal years ended December 31, 2002, 2003 and 2004, reported on by Ernst & Young LLP, independent public accountants and (iii) Parent's unaudited consolidated balance sheet and statements of operations, changes in stockholder's equity and cash flows as of and for the six-month periods ended June 30, 2004 and 2005, certified by Parent's chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations, changes in stockholder's equity and cash flows of Parent and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (iii) above.

(b) Parent has heretofore furnished to the Lenders its pro forma consolidated balance sheet as of June 30, 2005, prepared giving effect to the Transactions as if the Transactions had occurred on such date. As of the Effective Date, such pro forma consolidated balance sheet (i) has been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Information Memorandum (which assumptions are reasonable), (ii) is based on the best information available to Parent and the Borrowers after due inquiry, (iii) accurately reflects all adjustments necessary to give effect to the Transactions and (iv) presents fairly, in all material respects, the pro forma financial position of Parent and its consolidated Subsidiaries as of June 30, 2005, as if the Transactions had occurred on such date.

(c) Except as disclosed in the financial statements referred to above or the notes thereto or in the Information Memorandum and except for the Disclosed Matters, after giving effect to the Transactions, none of Parent, the Borrowers or the Subsidiaries has, as of the Effective Date, any material contingent liabilities, unusual long-term commitments or unrealized losses.

(d) Since December 31, 2004, there has been no material adverse change in the business, assets, operations, properties, condition (financial or otherwise), liabilities (including contingent liabilities), material agreements or prospects of Parent, the Borrowers and the other Subsidiaries, taken as a whole.

SECTION 3.05. Properties. (a) Each of Parent, the Borrowers and the other Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for (i) minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes and (ii) Liens permitted by Section 6.02.

(b) Each of Parent, the Borrowers and the other Subsidiaries owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by Parent, the Borrowers and the other Subsidiaries does not infringe upon the rights of any other Person.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Parent or the Borrowers, threatened against or affecting Parent, any Borrower or any other Subsidiary (i) as to which there is a reasonable possibility of an adverse determination and that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any of the Loan Documents or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Parent, the Borrowers and the other Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws and Agreements. Each of Parent, the Borrowers and the other Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment and Holding Company Status. None of Parent, the Borrowers and the other Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.09. Taxes. (a) Each of Parent, the Borrowers and the other Subsidiaries (after giving effect to all applicable granted extensions) has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it before the same became delinquent, except (a) any Taxes that are being contested in good faith and if necessary by appropriate proceedings and for which Parent, such Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or

(b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(b) None of Parent, the Borrowers and the other Subsidiaries has incurred any material Tax liabilities in connection with the Spin-Off.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by an amount that could reasonably be expected to result in a Material Adverse Effect, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount that could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. Parent and the Borrowers have disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which Parent, any Borrower or any other Subsidiary is subject, and all other matters known to any of them, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that with respect to projected financial information, Parent and the Borrowers represent only that such information was prepared in good faith based upon assumptions that are reasonable.

SECTION 3.12. Subsidiaries and Joint Ventures. Parent does not have any subsidiaries other than the Subsidiaries set forth on Schedule 3.12. Neither Parent nor any Subsidiary holds any Equity Interest in any joint venture other than those set forth on Schedule 3.12. Schedule 3.12 sets forth as of the Effective Date the name of, and the ownership interest of Parent in (i) each Subsidiary of Parent and (ii) each joint venture in which Parent, any Borrower or any other Subsidiary holds an Equity Interest, in each case as of the Effective Date. Schedule 3.12 sets forth as of the Effective Date each Subsidiary that is a Material Subsidiary.

SECTION 3.13. Insurance. Parent, the Borrowers and the other Subsidiaries maintain, in force, with financially sound and reputable insurance companies, and have paid all premiums and costs that are due and payable and are related

to, insurance coverages in such amounts (with no materially greater risk retention) and against such risks under similar circumstances as are reasonably determined by the management of Parent, the Borrowers and the other Subsidiaries to be sufficient in accordance with the usual and customary practices of companies of established repute engaged in the same or similar lines of business as Parent, the Borrowers and the other Subsidiaries and operating in the same or similar locations, except to the extent reasonable self insurance meeting the same standards is maintained with respect to such risks.

SECTION 3.14. Labor Matters. As of the Effective Date, there are no strikes, lockouts or slowdowns against Parent, any Borrower or any other Subsidiary pending or, to the knowledge of Parent or any Borrower, overtly threatened in writing to Parent, any Borrower or any other Subsidiary. To the best knowledge of Parent or any Borrower after making reasonable due inquiry, the hours worked by and payments made to employees of Parent, the Borrowers and the other Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters. All payments due from Parent, any Borrower or any other Subsidiary, or for which any claim made against Parent, any Borrower or any other Subsidiary, which Parent or any Borrower reasonably and in good faith believes it or any other Subsidiary is liable, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Parent, such Borrower or such Subsidiary. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Parent, any Borrower or any other Subsidiary is bound.

SECTION 3.15. Solvency. After giving effect to the application of the proceeds of all Loans, (a) the fair value of the assets of each Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) each Loan Party will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is currently conducted and is proposed to be conducted.

SECTION 3.16. Status of Obligations. The Obligations constitute Senior Indebtedness (and any other similar term defining Senior Indebtedness) under each indenture or other agreement governing any Indebtedness of Parent, any Borrower or any other Subsidiary.

SECTION 3.17. Collateral Matters. (a) Each of the Security Documents creates (or will create, as the case may be), as security for the obligations purported to be secured thereby, subject to the provisions hereof and thereof, a legal, valid and enforceable security interest in all the Collateral subject to such Security Document (or

comparable interest under foreign law in the case of foreign Collateral) and each such Security Document shall constitute either (a) a fully perfected Lien on, and security interest in, all of the Collateral subject to such Security Document or (b) a floating charge, fixed charge or security interest, as specified in the applicable Security Document, with respect to all of the Collateral subject to such Security Document, in each case in favor of the relevant Collateral Agent and subject to no other Liens except as may be expressly permitted under Section 6.02. The pledgor or assignor, as the case may be, under each Security Document has good title to all Collateral subject thereto free and clear of all Liens other than Permitted Encumbrances and such additional Liens as may be expressly permitted under Section 6.02. No filings or recordings are required in order to perfect the security interests created under the Security Documents except for filings or recordings listed on Schedule 3.17, all of which shall have been made on or prior to the Effective Date except as otherwise expressly provided in Schedule 3.17. There are no agreements or understandings between or among stockholders or equity holders of any of the Loan Parties that might adversely affect the benefits intended to be conferred on the relevant Collateral Agent by the Security Documents or the prompt realization of such benefits.

(b) When the Domestic Security Agreement is filed in the United States Patent and Trademark Office and the United States Copyright Office, the security interest created thereunder shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Domestic Loan Parties in the Intellectual Property (as defined in such Security Agreement) in which a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, in each case prior and superior in right to any other Person, other than with respect to the rights of Persons pursuant to Liens expressly permitted by Section 6.02 (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a lien on registered trademarks, trademark applications and copyrights acquired by the Domestic Credit Parties after the date hereof).

(c) The Collateral and Guarantee Requirement is satisfied.

SECTION 3.18. Immunities, Etc. Each Borrower is subject to civil and commercial law with respect to its obligations under this Agreement, and the execution, delivery and performance by it of this Agreement and each other Loan Document constitutes and will constitute private and commercial acts rather than public or governmental acts. Each Borrower has validly given its consent to be sued in respect of its obligations under this Agreement and the other Loan Documents. Each Borrower has waived every immunity (sovereign or otherwise) to which it or any of its properties would otherwise be entitled from any legal action, suit or proceeding, from jurisdiction of any court or from setoff or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) under the laws of the jurisdiction of its incorporation in respect of its obligations under this Agreement and the other Loan Documents. The waiver by each

Borrower described in the immediately preceding sentence is legal, valid and binding on such Borrower.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and accept and purchase B/As and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of each of (i) Fulbright & Jaworski L.L.P., counsel for the US Borrower, substantially in the form of Exhibit H-1, and (ii) other counsel to Parent, the Borrowers and the other Subsidiaries in the form of Exhibit H-2, and, in the case of each such opinion required by this paragraph, covering such other matters relating to the Loan Parties, the Loan Documents or the Transactions as the Required Lenders shall reasonably request. Each of Parent and the Borrowers hereby requests such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party, the authorization of the Transactions and any other legal matters relating to the Loan Parties, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by a Financial Officer, confirming, to the best knowledge of such officer, compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party hereunder or under any other Loan Document.

(f) The Collateral and Guarantee Requirement shall have been satisfied and the Administrative Agent shall have received a completed Perfection Certificate dated the Effective Date and signed by a Financial Officer, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Loan Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Administrative Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been released.

(g) The Administrative Agent shall have received evidence that the insurance required by Section 5.07 and the Security Documents is in effect.

(h) Holdco #2 shall have received gross cash proceeds of not less than US$20,000,000 from the issuance of the Series A Preferred Stock.

(i) All consents and approvals required to be obtained by any Loan Party from any Governmental Authority or other Person in connection with the Transactions shall have been obtained, and all applicable waiting periods and appeal periods shall have expired, in each case without the imposition of any burdensome conditions. There shall be no litigation or administrative proceeding that could reasonably be expected to have a material adverse effect on the Transactions. The Transactions shall have been, or substantially simultaneously with the initial funding of Loans on the Effective Date shall be, consummated in accordance with applicable law and the terms and conditions set forth in the Form 10 and all other related documentation.

(j) The Lenders shall have received a pro forma consolidated balance sheet of Parent as of September 30, 2005, reflecting all pro forma adjustments as if the Transactions had been consummated on such date, and such pro forma consolidated balance sheet shall be consistent in all material respects with the forecasts and other information previously provided to the Lenders. After giving effect to the Transactions, none of Parent, the Borrowers and the other Subsidiaries shall have outstanding any shares of preferred stock or any Indebtedness, other than (i) Indebtedness incurred under the Loan Documents, (ii) the Preferred Stock and (iii) other Indebtedness set forth on Schedule 6.01.

(k) The Administrative Agent shall have received a solvency certificate from a Financial Officer in the form of Exhibit I.

(l) To the extent not prohibited by the terms thereof, the Administrative Agent shall have received a copy of the letter ruling from the Internal Revenue Service delivered to Parent as to the tax-free nature of the Spin-Off. Otherwise, the Administrative Agent shall have received a certificate from Skadden, Arps, Slate, Meagher & Flom LLP, counsel to Parent, certifying that such letter ruling has been received.

(m) The Lenders shall have received a reasonably detailed business plan of Parent, the Borrowers and the other Subsidiaries for the fiscal years 2006 through 2010 (including quarterly projections for the first four fiscal quarters ending after the Effective Date).

(n) The Lenders shall have received all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

The Administrative Agent shall notify the Borrowers and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.02) at or prior to 5:00 p.m., New York City time, on January 6, 2006 (and, in the event such conditions shall not have been so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing or accept and purchase any B/As, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, provided that (i) to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date and (ii) any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects as qualified and as of each date such representation and warranty is made.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by Parent and the applicable Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. First Credit Extension to a Foreign Borrower. The obligation of each Lender to honor any initial request for a Loan or B/A by a Foreign Borrower or of any Issuing Bank to honor any initial request for a Letter of Credit by a Foreign Borrower is subject to the satisfaction of the following further conditions:

(a) receipt by the Administrative Agent of an opinion of counsel for such Foreign Borrower reasonably acceptable to the Administrative Agent, substantially in the form of Exhibit H-2 hereto and covering such additional matters relating to the transactions contemplated hereby as the Administrative Agent may reasonably request;

(b) receipt by the Administrative Agent of all documents which it may reasonably request relating to the existence of such Foreign Borrower, its corporate authority for and the validity of its entry into its Foreign Borrower Agreement, this Agreement and any other Loan Document, and any other matters relevant thereto, all in form and substance reasonably satisfactory to the Administrative Agent; and

(c) the requirements of Section 5.11 shall have been satisfied with respect to such Foreign Borrower.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and each B/A and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each of Parent and the Borrowers covenants and agrees with the Agents and the Lenders as to itself and the Subsidiaries that:

SECTION 5.01. Financial Statements and Other Information. Parent will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of Parent, its audited consolidated balance sheet and related statements of operations, changes in stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Parent, its unaudited consolidated balance sheet and related statements of operations, changes in stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of

operations of Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer (i) certifying, to the best of such officer's knowledge, as to whether a Default exists at the end of such fiscal quarter or fiscal year, as applicable, and, if a Default so exists, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.13, 6.14, 6.15 and 6.16, (iii) setting forth reasonably detailed calculations demonstrating Consolidated Tangible Assets as of the date of such financial statements, (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of Parent's audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (v) setting forth the Subsidiaries formed or acquired during the applicable fiscal quarter;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) at least 15 days prior to the commencement of each fiscal year of Parent, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flow as of the end of and for each fiscal quarter of such fiscal year and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(f) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Parent, or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by Parent to its shareholders generally, as the case may be;

(g) within 100 days after the end of each fiscal year of Parent, the unaudited consolidated balance sheet and related statements of operations of the US Borrower (with consolidating information reconciling in reasonable detail such financial statements with the corresponding financial statements of Parent), in each case as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial

condition and results of operations of the applicable Person and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(h) within 55 days after the end of each of the first three fiscal quarters of each fiscal year of Parent, the unaudited consolidated balance sheet and related statements of operations of the US Borrower (with consolidating information reconciling in reasonable detail such financial statements with the corresponding financial statements of Parent), in each case as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the applicable Person and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(i) promptly following any request therefor, such information regarding Parent, any Borrower or any other Subsidiary as the Administrative Agent (or any Lender acting through the Administrative Agent) may reasonably request to comply with the Act; and

(j) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Parent, any Borrower or any other Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent (or any Lender acting through the Administrative Agent) may reasonably request.

Information required to be delivered pursuant to this Section 5.01 shall be deemed to have been furnished and delivered if such information, or one or more annual, quarterly or other reports or filings containing such information, shall have been (a) delivered to the Administrative Agent in electronic format or (b) electronically filed with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, and notice thereof shall have been provided to the Administrative Agent. Information required to be delivered pursuant to this Section 5.01 may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent.

SECTION 5.02. Notices of Material Events. Parent and each Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Parent,

any Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of Parent, any Borrower and the Subsidiaries in an aggregate amount exceeding US$10,000,000; and

(d) any other occurrences or events that result in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer setting forth the details of the occurrence or event requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Information Regarding Collateral. (a) Parent and the Borrowers will furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) in any Loan Party's identity or corporate structure or (iv) to the extent applicable, in any Loan Party's Federal Taxpayer Identification Number. Parent and the Borrowers agree to make or cause to be made or otherwise effect all filings under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. Parent and the Borrowers also agree promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(b) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to clause (a) of Section 5.01, Parent and the Borrowers shall deliver to the Administrative Agent a certificate of a Financial Officer and the general counsel of Parent (i) setting forth the information required pursuant to Section 2 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this Section and (ii) certifying that, to the best knowledge of such Financial Officer and general counsel, all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (i) above to the extent necessary to protect and perfect the security interests under the Collateral Agreement for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period). Each certificate delivered pursuant to this

Section 5.03(b) shall identify in the format of Schedule II, III, IV or V, as applicable, of the Domestic Collateral Agreement all Intellectual Property (as defined in the Security Documents) of any Loan Party in existence on the date thereof and not then listed on such Schedules as previously so identified to the Collateral Agent.

SECTION 5.04. Existence; Conduct of Business. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of the business of Parent and the Subsidiaries, taken as a whole, provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03, any sale, transfer or other disposition permitted by Section 6.05 or, to the extent compliance with Section 5.03 is met, any statutory conversion that does not result in (a) a Subsidiary Loan Party ceasing to be a Subsidiary Loan Party or (b) a Domestic Subsidiary or a Foreign Subsidiary becoming a Foreign Subsidiary or a Domestic Subsidiary, respectively.

SECTION 5.05. Payment of Obligations. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, pay its Indebtedness and other obligations, including Tax liabilities, before the same shall become delinquent, except where (a) the validity or amount thereof is being contested in good faith and if necessary to so contest, by appropriate proceedings, (b) Parent, such Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation and (d) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06. Maintenance of Properties. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, keep and maintain all property material to the conduct of the business of Parent and the Subsidiaries, taken as a whole, in good working order and condition, ordinary wear and tear excepted.

SECTION 5.07. Insurance. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, maintain, with financially sound and reputable insurance companies, insurance in such amounts (with no greater risk retention) and against such risks under similar circumstances as are reasonably determined by the management of Parent, the Borrowers and the other Subsidiaries to be sufficient in accordance with usual and customary practices of companies of established repute engaged in the same or similar businesses operating in the same or similar locations, except to the extent reasonable self insurance meeting the same standards is maintained with respect to such risks, and all insurance required to be maintained pursuant to the Security Documents. Parent and the Borrowers will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.08. Casualty and Condemnation. Parent and the Borrowers (a) will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking or expropriation of any material portion of the Collateral under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of this Agreement and the Security Documents.

SECTION 5.09. Books and Records; Inspection and Audit Rights. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice and during normal business hours, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested, in each case subject to applicable attorney-client privilege exceptions and compliance with non-disclosure and confidentiality agreements between any of Parent, any Borrower or any other Subsidiary and third parties.

SECTION 5.10. Compliance with Laws. Each of Parent and the Borrowers will, and will cause each of its subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.11. Additional Subsidiaries. If any additional Subsidiary is formed or acquired after the Effective Date, Parent and the Borrowers will, if applicable, cause the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary and with respect to any Equity Interest in or Indebtedness of such Subsidiary owned by or on behalf of any Loan Party.

SECTION 5.12. Further Assurances. (a) Each of Parent and the Borrowers will, and will cause each Subsidiary Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied at all times, all at the expense of the Loan Parties. Parent and the Borrowers also agree to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) If any material assets (including any real property or improvements thereto or any interest therein) are acquired by Parent, any Borrower or any other Subsidiary Loan Party after the Effective Date (other than assets constituting Collateral under the Security Documents that become subject to the Liens of the Security Documents upon acquisition thereof), Parent and the Borrowers will notify the Administrative Agent and the Lenders thereof, and, to the extent required by the Collateral and Guarantee Requirement, Parent and the Borrowers will cause such assets to be subjected to a Lien securing the Obligations and will take, and cause the Subsidiary Loan Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties.

SECTION 5.13. Interest Rate Protection. As promptly as practicable, and in any event within 90 days after the Effective Date, the US Borrower will enter into, and thereafter for a period of not less than three years will maintain in effect, one or more interest rate protection agreements on such terms and with such parties as shall be reasonably satisfactory to the Administrative Agent, the effect of which shall be to fix or limit the interest cost to the US Borrower with respect to at least 50% of the outstanding Term Loans.

SECTION 5.14. Ownership of Foreign Borrowers. Each of the Foreign Borrowers will, at all times, be a direct or indirect wholly owned subsidiary of the US Borrower.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and each B/A and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, each of Parent and the Borrowers covenants and agrees with the Agents and the Lenders as to itself and the Subsidiaries that:

SECTION 6.01. Indebtedness; Certain Equity Securities. (a) Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created under the Loan Documents;

(ii) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof or change the parties directly or indirectly responsible for the payment thereof;

(iii) unsecured Indebtedness of Parent, any Borrower or any other Subsidiary to Parent, any Borrower or any other Subsidiary, provided that (A)

such Indebtedness shall not have been transferred or pledged to any third party, (B) such Indebtedness is subordinated to the Obligations on terms customary for intercompany subordinated Indebtedness and (C) Indebtedness of any Subsidiary that is not a Loan Party to Parent, any Borrower or any other Subsidiary Loan Party shall be subject to Section 6.04;

(iv) Indebtedness of Parent, any Borrower or any other Subsidiary incurred to finance the acquisition, construction, development, enlargement, repair or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof or change the parties directly or indirectly responsible for the payment thereof, provided that (A) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction, development, enlargement, repair or improvement and (B) the aggregate principal amount of Indebtedness permitted by this clause (iv) shall not exceed the US Dollar Equivalent of US$10,000,000 at any time outstanding;

(v) Indebtedness of any Person that becomes a Subsidiary after the date hereof and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof or change the parties directly or indirectly responsible for the payment thereof, provided that (A) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (B) the aggregate principal amount of Indebtedness permitted by this clause (v) shall not exceed the US Dollar Equivalent of US$10,000,000 at any time outstanding;

(vi) Permitted Subordinated Indebtedness, provided that immediately before and after giving pro forma effect to the incurrence of such Permitted Subordinated Indebtedness, no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16);

(vii) Indebtedness with respect to Swap Agreements that are permitted to be entered into under Section 6.07;

(viii) Indebtedness of Foreign Subsidiaries denominated in any currency (exclusive of Indebtedness incurred hereunder) in an aggregate principal amount not exceeding the US Dollar Equivalent of US$75,000,000 at any time outstanding;

(ix) advances and deposits received by any Borrower or any other Subsidiary in the ordinary course of business and Guarantees by Parent, any Borrower or any other Subsidiary thereof; and

(x) other Indebtedness of Parent, any Borrower or any other Subsidiary not permitted by any other clause of this Section 6.01(a) in an aggregate principal amount not exceeding the US Dollar Equivalent of US$50,000,000 at any time outstanding, provided that immediately before and after giving pro forma effect to the incurrence of such Indebtedness, no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16).

(b) Parent will not, and will not permit any Holding Company to, create, incur, assume or permit to exist any Indebtedness other than Guarantees under the Security Documents.

(c) None of Parent and the Borrowers will, nor will they permit any Subsidiary to, issue any preferred stock or other preferred Equity Interests, other than the Preferred Stock.

SECTION 6.02. Liens. (a) Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or, except as permitted under Section 6.05, assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Encumbrances;

(iii) any Lien on any property or asset of any Borrower or any other Subsidiary existing on the date hereof and set forth in Schedule 6.02, provided that (A) such Lien shall not apply to any other property or asset of Parent, any Borrower or any other Subsidiary other than proceeds from, and after-acquired property in respect of, the property or assets subject to such Lien, in each case to the extent required under the terms of the document or instrument creating such Lien as in effect on the date hereof, and (B) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(iv) any Lien existing on any property or asset prior to the acquisition thereof by any Borrower or any other Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, provided that (A) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (B) such Lien shall not apply to any other property or assets of Parent, any Borrower or any other Subsidiary other than proceeds from, and after-acquired property in respect of, the property or

assets subject to such Lien, in each case to the extent required under the terms of the document or instrument creating such Lien as in effect on the date of the applicable acquisition, and (C) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(v) Liens on fixed or capital assets acquired, constructed, developed, enlarged, repaired or improved by any Borrower or any other Subsidiary, provided that (A) such Liens secure Indebtedness permitted by clause (iv) of Section 6.01(a), (B) such Liens and the Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction, development, enlargement, repair or improvement, provided that such Liens may also secure extensions, renewals and replacements of such Indebtedness to the extent such extensions, renewals and replacements are permitted under Section 6.01(a), (C) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing, developing, enlarging, repairing or improving such fixed or capital assets and (D) such Liens shall not apply to any other property or assets of Parent, any Borrower or any other Subsidiary other than proceeds from, and after-acquired property in respect of, the property or assets subject to such Lien, in each case to the extent required under the terms of the document or instrument creating such Lien as in effect on the date such Lien is created; and

(vi) Liens (other than Liens on Collateral or on any real property or interests in real property of Parent, any Borrower or any other Subsidiary) that are not permitted by any other clause of this Section 6.02(a), provided that the aggregate amount of all Liens permitted under this clause (vi) (measured, as to each such Lien, as the greater of the amount secured by such Lien and the fair market value at the time of the creation of such Lien of the assets subject to such Lien) shall not exceed the US Dollar Equivalent of US$25,000,000.

(b) Parent will not, and will not permit any Holding Company, to create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it or any Holding Company, or assign or sell any income or revenues (including accounts receivable) or rights in respect thereof, except Liens created under the Security Documents and Permitted Encumbrances.

SECTION 6.03. Fundamental Changes. (a) Neither Parent nor any Borrower will, nor will they permit any of their subsidiaries to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving pro forma effect thereto no Default shall have occurred and be continuing (i) any Person may merge into any Borrower in a transaction in which the applicable Borrower is the surviving corporation, (ii) any Person may merge into any Subsidiary (other than a Holding Company) (A) in a transaction in which the surviving entity is a Subsidiary and (if any party to such merger is a Subsidiary Loan Party) is a Subsidiary Loan Party and

(B) in connection with a sale or other disposition of a Subsidiary permitted under Section 6.05 that results in such Person ceasing to be a Subsidiary, (iii) any Subsidiary (other than a Borrower) may liquidate or dissolve if (X) Parent determines in good faith that such liquidation or dissolution is in the best interests of Parent, the Borrowers and the other Subsidiaries and is not materially disadvantageous to the Lenders and (Y) after giving pro forma effect thereto, no Default shall have occurred and be continuing and the Excluded Subsidiaries shall not constitute 10% or more of the Consolidated Revenues of Parent for the most recently ended fiscal year of Parent (or, to the extent certified by a Financial Officer, for the most recently ended fiscal quarter of Parent), and (iv) any wholly owned Subsidiary that has no assets or liabilities may merge with a Holding Company for the purpose of changing such Holding Company's name, provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.

(b) Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrowers and the Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

(c) Each Holding Company will not engage in any business or activity other than the ownership of all the outstanding Equity Interests of the US Borrower or other Holding Companies and activities incidental thereto, provided that Holdco #1 shall be permitted to own the real property set forth on Schedule 6.03 and other real property and interests therein acquired, and improvements, repairs and enlargements thereto made, with the proceeds thereof in accordance with the terms of this Agreement. Each Holding Company will not own or acquire any assets (other than Equity Interests of the US Borrower and other Holding Companies, cash and Permitted Investments) or incur any liabilities (other than liabilities under the Loan Documents, liabilities imposed by law, including tax liabilities, and other liabilities incidental to its existence and permitted business and activities).

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any Equity Interests in or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of related transactions) any assets of any other Person constituting a business unit, line of business or division of a Person except:

(a) Permitted Investments;

(b) investments existing on the date hereof and set forth on Schedule 6.04(b);

(c) investments by Parent, the Borrowers and the other Subsidiaries in Equity Interests in Subsidiary Loan Parties (that are Subsidiaries prior to such investment), provided that any such Equity Interests held by a Loan Party shall be pledged pursuant to the Security Documents (subject to the limitations applicable to voting Equity Interests of a Foreign Subsidiary referred to in paragraph (c) of the definition of Collateral and Guarantee Requirement);

(d) loans or advances made by Parent or any Borrower to any Subsidiary Loan Party and made by any Subsidiary to Parent, any Borrower or any Subsidiary Loan Party;

(e) investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(f) purchases or other acquisitions of property and assets or businesses of any Person or of assets constituting a business unit, a line of business or division of such Person, or Equity Interests in a Person that, upon the consummation thereof, will be a direct or indirect Subsidiary of the US Borrower (including as a result of a merger or consolidation), provided that with respect to each purchase or other acquisition made pursuant to this Section 6.04(f) (each, a "Permitted Acquisition"):

(i) all property, assets and businesses acquired in such purchase or other acquisition (other than Excluded Assets) shall constitute Collateral and each applicable Loan Party and any such newly created or acquired Subsidiary shall be a Guarantor and shall have complied with the requirements of Section 5.11, provided that this clause (i) shall not apply to Excluded Acquisitions;

(ii) the acquired property, assets, business or Person is in a business of the type conducted by the Borrowers and the Subsidiaries on the date of execution of this Agreement or a business reasonably related thereto;

(iii) immediately before and after giving pro forma effect to such purchase or acquisition, no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16);

(iv) Parent shall have delivered to the Administrative Agent, no later than five (5) Business Days prior the date on which any such purchase or other acquisition, other than an Excluded Acquisition, is to be consummated and no later than 20 Business Days following the date on which an Excluded Acquisition is consummated, a certificate of a Financial Officer, in form and substance reasonably satisfactory to the Administrative Agent,

certifying that all of the requirements set forth in the immediately preceding clauses (i) (if not an Excluded Acquisition), (ii) and (iii) have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition; and

(v) such purchase or other acquisition shall not have been consummated through or preceded by an unsolicited tender offer;

(g) Permitted Deposits;

(h) any Equity Interest, Indebtedness, securities or assets received as a result of the receipt of non-cash consideration from any asset disposition permitted under Section 6.05;

(i) any Equity Interests, Indebtedness, securities or assets received solely in exchange for common stock of Parent;

(j) loans and advances to employees, officers and directors that do not exceed the US Dollar Equivalent of US$2,000,000 in the aggregate at any time outstanding;

(k) intercompany Indebtedness permitted under Section 6.01(a)(iii);

(l) investments in joint ventures and Subsidiaries that do not exceed the US Dollar Equivalent of US$10,000,000 in the aggregate at any time outstanding;

(m) with respect to each of the fiscal years ended December 31, 2006 and 2007, investments during such fiscal year that, taken together, do not exceed US$4,000,000, in each case to the extent and at the times required by, and made in accordance with the terms of the contract listed on Schedule 6.04(m);

(n) investments, loans or advances, and purchases and acquisitions resulting in aggregate payments, at any time in an aggregate amount not exceeding the Remaining Excess Cash at such time;

(o) (i) Guarantees by Parent, the Borrowers and the other Subsidiaries of obligations that do not constitute Indebtedness, in each case incurred by any Subsidiary in the ordinary course of business and (ii) Guarantees permitted under Sections 6.01(a)(vii) and 6.01(a)(ix); and

(p) investments that are not permitted by any other clause of this Section 6.04 and that do not exceed the US Dollar Equivalent of US$150,000,000 in the aggregate at any time outstanding, provided that immediately after giving pro forma effect to any such investment, no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16).

SECTION 6.05. Asset Sales. Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will Parent and the Borrowers permit any of their subsidiaries to issue any additional Equity Interest in itself (other than to a Borrower or another Subsidiary Loan Party in compliance with Section 6.04), except:

(a) sales of inventory, non-obsolete, used or surplus equipment and Permitted Investments (including trades or exchanges of Permitted Investments) in the ordinary course of business;

(b) sales, transfers and dispositions to a Borrower or a Subsidiary, provided that any such sales, transfers or dispositions involving a Subsidiary that is not a Loan Party shall be made in compliance with Section 6.09;

(c) dispositions of assets in trade or exchange for assets of comparable fair market value used or usable in the business of Parent and the Subsidiaries;

(d) a Restricted Payment that is permitted under Section 6.08;

(e) sales or other dispositions of obsolete assets neither used nor useful to any business of Parent or any Subsidiary;

(f) any lease or rental of assets entered into in the ordinary course of business and with respect to which Parent or any Subsidiary is the lessor and the lessee has no option to purchase such assets for less than fair market value at any time, provided that this exception shall not permit the sale of such asset pursuant to such lease or rental;

(g) the disposition of assets received in settlement of debts accrued in the ordinary course of business;

(h) the creation or perfection of a Lien permitted under Section 6.02;

(i) the grant in the ordinary course of business of any non-exclusive license of patents, trademarks, registrations therefor and other similar intellectual property;

(j) any disposition of assets pursuant to a condemnation, appropriation or similar taking;

(k) sales and other dispositions, in one transaction or a series of related transactions, of assets and other properties of Parent and the Subsidiaries with a fair market value not exceeding the US Dollar Equivalent of US$500,000 and made in the ordinary course of business; and

(l) sales, transfers and other dispositions of assets (other than Equity Interests in Holdco #1, Holdco #2 or any Borrower) that are not permitted by any other clause of this Section, provided that the aggregate fair market value

of all Equity Interests or assets sold, transferred or otherwise disposed of in reliance upon this clause (l) shall not exceed (i) 10% of Consolidated Tangible Assets during any fiscal year of Parent and (ii) 25% of Consolidated Tangible Assets during the term of this Agreement,

provided that all sales, transfers, leases and other dispositions permitted by clauses (a), (f), (g), (k) and (l) shall be made for fair value, and at least 75% of the consideration received with respect to each such sale, transfer, lease and other disposition shall consist of cash, cash equivalents, Permitted Investments, liabilities assumed by the transferee, accounts receivable retained by the transferor or any combination of the foregoing.

SECTION 6.06. Sale and Leaseback Transactions. Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets that is made for cash consideration in an amount not less than the cost of such fixed or capital asset and is consummated within 180 days after such Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 6.07. Swap Agreements. Each of Parent and the Borrowers will not, and will not permit any of its subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements required by Section 5.13, (b) Swap Agreements entered into to hedge or mitigate risks to which Parent, any Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of Parent, any Borrower or any other Subsidiary), and (c) Swap Agreements entered into in order to effectively cap, collar or exchange (i) interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Borrower or any Subsidiary and (ii) currency exchange rates, in each case in connection with the conduct of its business and not for speculative purposes.

SECTION 6.08. Restricted Payments; Certain Payments of Indebtedness. (a) Neither Parent nor any Borrower will, nor will they permit any of their subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that (i) Parent may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (ii) subsidiaries of the US Borrower may declare and pay dividends ratably with respect to their Equity Interests, (iii) with respect to any fiscal year, the Holding Companies may pay dividends (A) to other Holding Companies or (B) to Persons other than Holding Companies that, taken together, do not exceed the US Dollar Equivalent of the Permitted Restricted Payment Amount with respect to such fiscal year, (iv) for purposes of funding the dividends permitted under the immediately preceding clause (iii), with respect to any fiscal year, the US Borrower may pay dividends to the Holding Companies that, taken together, do not exceed the Permitted Restricted Payment Amount with respect to such fiscal year, (v) Holdco #2 may redeem

the Preferred Stock to the extent and at the times required by, and in accordance with, the terms of the Preferred Stock, (vi) for purposes of funding the Restricted Payments permitted under the immediately preceding clause (v), the US Borrower may pay dividends to Holdco #2 at the time of, and in amounts necessary to effectuate, redemptions of the Preferred Stock permitted under the immediately preceding clause (v), (vii) Parent, the Borrowers and the other Subsidiaries may make Restricted Payments at any time in an aggregate amount not in excess of the Remaining Excess Cash at such time, (viii) with respect to any fiscal year, the US Borrower and the Holding Companies may pay dividends to the Holding Companies if such dividends are used within 30 days upon receipt to pay for (A) the federal, state, local, foreign and other tax liabilities of the applicable Holding Company, (B) audit fees and expenses of the applicable Holding Company, (C) fees and expenses associated with litigation and other contested matters of the applicable Holding Company or (D) fees and expenses associated with debt or equity issuances by the applicable Holding Company to the extent in excess of cash proceeds received, (ix) with respect to any fiscal year, the US Borrower and the Holding Companies may pay dividends to the Holding Companies that, taken together (and without duplication), do not exceed the US Dollar Equivalent of US$13,000,000 and if such dividends are used within 30 days upon receipt to pay for (A) with respect to Parent, expenses relating to being a public company, including conducting shareholder meetings, mailing and soliciting proxies, compliance with the Securities and Exchange Act of 1934, as amended, (including the preparation of reports thereunder) and the Sarbanes-Oxley Act of 2002, (B) directors and officers insurance of the applicable Holding Company, (C) directors fees and expenses of the applicable Holding Company, (D) with respect to Holdco #1, expenses and capital expenditures associated with the operation of the theatrical property located in New York City held by Holdco #1 in an amount not to exceed the US Dollar Equivalent of US$2,500,000 per fiscal year or (E) fees and expenses required to maintain the corporate existence of, and to pay for general corporate and overhead expenses (including salaries and other compensation of the employees) incurred in the ordinary course of, the applicable Holding Company's business, which fees and expenses, taken together for all the Holding Companies, for purposes of this clause (E) shall not exceed the US Dollar Equivalent of US$5,000,000 during any fiscal year and (x) the US Borrower and the Holding Companies may pay dividends to the Holding Companies if such dividends are used within 30 days upon receipt to pay for amounts required to be paid under the contracts set forth on Schedule 6.08, provided that the prohibitions and limitations set forth in this Section 6.08 shall not apply with respect to any Restricted Payment if immediately before and after giving pro forma effect to such Restricted Payment, (A) the Leverage Ratio would be less than 3.0 to 1.0 and (B) no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16), and any Restricted Payments made under the exception set forth in this proviso shall be disregarded for purposes of determining whether any Restricted Payments may be made under the other provisions of this Section 6.08(a) when such exception is not applicable.

(b) Neither Parent nor any Borrower will, nor will they permit any of their subsidiaries to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Indebtedness, or any payment or other distribution (whether in cash,

securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancelation or termination of any Indebtedness, except:

(i) payment of Indebtedness created under the Loan Documents;

(ii) payments as and when due in respect of any Indebtedness, other than payments in respect of the Subordinated Indebtedness prohibited by the subordination provisions thereof;

(iii) refinancings of Indebtedness to the extent permitted by Section 6.01; and

(iv) payment of secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness,

provided that the prohibitions and limitations set forth in this Section 6.08(b) shall not apply with respect to any such payment or other distribution if immediately before and after giving pro forma effect to such payment or other distribution, (A) the Leverage Ratio would be less than 3.0 to 1.0 and (B) no Default shall have occurred and be continuing (including any Default under Section 6.13, 6.14, 6.15 or 6.16).

SECTION 6.09. Transactions with Affiliates. Neither Parent nor any Borrower will, nor will they permit any of their subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates involving consideration in excess of the US Dollar Equivalent of US$1,000,000, except, without duplication, (a) transactions in the ordinary course of business that are at prices and on terms and conditions not less favorable to Parent, such Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among Parent, the Borrowers and the Subsidiary Loan Parties not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.08, (d) investments permitted under Section 6.04(c), (e) loans and advances permitted under Section 6.04(j) and Guarantees permitted under Section 6.04(o), (f) the performance of employment, equity award, equity option or equity appreciation agreements, plans or other similar compensation or benefit plans or arrangements (including vacation plans, health and insurance plans, deferred compensation plans and retirement or savings plans) entered into by Parent, any Borrower or any other Subsidiary in the ordinary course of its business with its employees, officers and directors, (g) the performance of any agreement set forth on Schedule 6.09 and as in effect on the date hereof, (h) fees and compensation to, and indemnity provided on behalf of, officers, directors, employees and consultants of Parent, any Borrower or any other Subsidiary in their capacity as such, to the extent such fees and compensation are reasonable and customary and (i) transfers of cash and cash equivalents at any time in an aggregate amount not in excess of the Remaining Cash Excess at such time.

SECTION 6.10. Restrictive Agreements. Neither Parent nor any Borrower will, nor will they permit any of their subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of Parent, any Borrower or any other Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Borrower or any Subsidiary to pay dividends or other distributions with respect to its Equity Interests or to make or repay loans or advances to any Borrower or any other Subsidiary or to Guarantee Indebtedness of any Borrower or any other Subsidiary, provided that (i) the foregoing shall not apply to restrictions and conditions that are (A) imposed by law or by any Loan Document or (B) imposed by any agreement or instrument relating to secured Indebtedness permitted by this Agreement to the extent that such restrictions apply only to the property or assets securing such Indebtedness (including, to the extent required under the terms of such agreement or instrument on the date the applicable Indebtedness is incurred, proceeds thereof and after-acquired property in respect thereof), (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.10 (but shall apply to any extension, renewal, amendment or modification expanding the scope of any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (v) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses and similar contracts restricting the assignment, encumbrance or transfer thereof.

SECTION 6.11. Amendment of Material Documents. Neither Parent nor any Borrower will, nor will they permit any of their subsidiaries to, amend, modify or waive any of its rights under (a) any document (other than this Agreement) governing any Material Indebtedness, (b) its certificate of incorporation, by-laws or other organizational documents, (c) any document governing the Preferred Stock or (d) any other material contract to which it is a party, in each case to the extent that such amendment, modification or waiver could reasonably be expected to be material and adverse to the Lenders.

SECTION 6.12. Use of Proceeds and Letters of Credit. The proceeds of the Term Loans, together with the proceeds from the issuance of the Preferred Stock, will be used only (a) to fund the Intercompany Debt Repayment, (b) to fund the Effective Date Excess Cash and (c) to pay fees and expenses payable in connection with the Transactions. The proceeds of the Revolving Loans made after the Effective Date, the Swingline Loans and Letters of Credit will be used only for general corporate purposes of the US Borrower and its subsidiaries, including for working capital purposes. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 6.13. Interest Expense Coverage Ratio. Parent and the Borrowers will not permit the ratio of (a) Consolidated EBITDA to (b) Consolidated Cash Interest Expense, in each case as of the end of any period of four consecutive fiscal quarters, to be less than 2.5 to 1.0.

SECTION 6.14. Leverage Ratio. Parent and the Borrowers will not permit the Leverage Ratio as of the end of any fiscal quarter of Parent during any period set forth below to exceed the ratio set forth opposite such period:

Period	Ratio
Effective Date through December 31, 2008	4.5 to 1.0
January 1, 2009 and thereafter	4.0 to 1.0

provided that at any time when an aggregate principal amount of Subordinated Indebtedness of Parent, the Borrowers and the other Subsidiaries in excess of the US Dollar Equivalent of US$25,000,000 (determined on a consolidated basis) is outstanding, Parent and the Borrowers instead will not permit the Leverage Ratio as of the end of any fiscal quarter of Parent during any period set forth below to exceed the ratio set forth opposite such period:

Period	Ratio
Effective Date through December 31, 2006	6.5 to 1.0
January 1, 2007 through December 31, 2007	6.0 to 1.0
January 1, 2008 through December 31, 2008	5.5 to 1.0
January 1, 2009 and thereafter	5.0 to 1.0

SECTION 6.15. Senior Leverage Ratio. At any time when an aggregate principal amount of Subordinated Indebtedness of Parent, the Borrowers and the other Subsidiaries in excess of the US Dollar Equivalent of US$25,000,000 (determined on a consolidated basis) is outstanding, Parent and the Borrowers will not permit the Senior Leverage Ratio as of the end of any fiscal quarter of Parent to exceed 3.0 to 1.0.

SECTION 6.16. Capital Expenditures. Parent and the Borrowers will not, and will not permit any of their subsidiaries to, make Capital Expenditures that would cause the US Dollar Equivalent of the aggregate amount of all Capital Expenditures made by Parent, the Borrowers and the other Subsidiaries in any fiscal year of Parent to exceed the amount of Capital Expenditures set forth below opposite such fiscal year:

Fiscal Year Ended	Capital Expenditures
December 31, 2005	US$125,000,000

Fiscal Year Ended	Capital Expenditures
December 31, 2006	US$125,000,000
December 31, 2007 and thereafter	US$110,000,000

provided that to the extent that the aggregate amount of Capital Expenditures made by Parent, the Borrowers and the other Subsidiaries in any fiscal year pursuant to this Section is less than the maximum amount of Capital Expenditures permitted by this Section with respect to such fiscal year, the amount of such difference (the "Rollover Amount") may be carried forward and used to make Capital Expenditures in the immediately succeeding fiscal year, provided further that Capital Expenditures in any fiscal year shall be counted against the Rollover Amount available with respect to such fiscal year prior to being counted against the base amount with respect to such fiscal year and provided further that for purposes of this Section 6.16, all Capital Expenditures made with Net Proceeds that are reinvested in accordance with Section 2.11(c) shall be disregarded in determining Capital Expenditures made by Parent, the Borrowers and the other Subsidiaries in any fiscal year of Parent.

SECTION 6.17. Accounting Changes. Parent will not make any change to its fiscal year.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events ("Events of Default") shall occur:

(a) any principal of any Loan or any B/A or any reimbursement obligation in respect of any LC Disbursement shall not be paid when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any interest on any Loan or any B/A or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document shall not be paid when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation, warranty or statement made or deemed made by or on behalf of Parent, any Borrower or any other Subsidiary in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made or deemed made;

(d) Parent or any Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.04 (with respect to the existence of Parent or any Borrower) or 5.14 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to Parent or any Borrower (which notice will be given at the request of any Lender);

(f) Parent, any Borrower or any other Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, and such failure shall continue after the applicable grace or notice period;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (after the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Parent, any Borrower or any other Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent, any Borrower or any other Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) Parent, any Borrower or any other Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Parent, any Borrower or any other Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material

allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) Parent, any Borrower or any other Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of the US Dollar Equivalent of US$10,000,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) shall be rendered against Parent, any Borrower, any other Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of Parent, any Borrower or any other Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that when taken together with all other ERISA Events that have occurred and are continuing and unpaid, could reasonably be expected to result in a Material Adverse Effect;

(m) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any Collateral, with the priority required by the applicable Security Document, except (i) as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under any Loan Document, (ii) as a result of the Administrative Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Agreement or (iii) for any Lien pertaining to Collateral that individually or in the aggregate is of an immaterial value in relation to the outstanding Obligations;

(n) any Guarantee purported to be created under any Loan Document shall cease to be, or shall be asserted by any Loan Party not to be, in full force and effect, except upon the consummation of any transaction permitted by any Loan Document as a result of which the Subsidiary Loan Party providing such Guarantee ceases to be a Subsidiary; or

(o) a Change in Control shall occur;

then, and in every such event (other than an event described in clause (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the US Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans and B/As then outstanding to be due and payable

in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans and B/As so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to Parent or any Borrower described in clause (h) or (i) of this Section, the Commitments shall automatically terminate and the principal of the Loans and B/As then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

Solely for purposes of determining whether a Default has occurred under clause (h) or (i) of this Section 7.01, any reference in any such clause to any Subsidiary or group of Subsidiaries shall be deemed not to include any Subsidiary or group of Subsidiaries affected by any event or circumstance referred to in any such clause that did not, taken together, as of the last day of the fiscal year of Parent most recently ended constitute 2% or more of the Consolidated Revenues of Parent with respect to such fiscal year.

SECTION 7.02. CAM. (a) On the CAM Exchange Date, (i) the Commitments shall automatically and without further act be terminated as provided in this Article VII, (ii) the Lenders shall automatically and without further act be deemed to have exchanged interests in the Designated Obligations such that, in lieu of the interests of each Lender in the Designated Obligations under each Tranche in which it shall participate as of such date, such Lender shall own an interest equal to such Lender's CAM Percentage in the Designated Obligations under each of the Tranches (such exchange, the "CAM Exchange") and (iii) simultaneously with the deemed exchange of interests pursuant to clause (ii) above, the interests in the Designated Obligations to be received in such deemed exchange shall, automatically and with no further action required, be converted into the US Dollar Equivalent thereof, determined using the Exchange Rate calculated as of such date, of such amount and on and after such date all amounts accruing and owed to the Lenders in respect of such Designated Obligations shall accrue and be payable in US Dollars at the rate otherwise applicable hereunder. It is understood and agreed that Lenders holding interests in B/As on the CAM Exchange Date shall discharge the obligations to fund such B/As at maturity in exchange for the interests acquired by such Lenders in funded Loans in the CAM Exchange. Each Lender, each Person acquiring a participation from any Lender as contemplated by Section 9.04, and each Borrower hereby consents and agrees to the CAM Exchange. Each of Parent, the Borrowers and the Lenders agrees from time to time to execute and deliver to the Administrative Agent or the Applicable Agent all such promissory notes and other instruments and documents as the Administrative Agent or such Applicable Agent shall reasonably request to evidence and confirm the respective interests and obligations of the Lenders after giving effect to the CAM Exchange, and each Lender agrees to surrender any promissory notes originally received by it in connection with its Loans hereunder to the Administrative Agent against delivery of any promissory notes so executed and

delivered, provided that the failure of Parent or any Borrower to execute or deliver or of any Lender to accept any such promissory note, instrument or document shall not affect the validity or effectiveness of the CAM Exchange.

(a) As a result of the CAM Exchange, on and after the CAM Exchange Date, (i) each payment received by the Administrative Agent pursuant to any Loan Document in respect of the Designated Obligations shall be distributed to the Lenders pro rata in accordance with their respective CAM Percentages (to be redetermined as of each such date of payment or distribution to the extent required by the next paragraph below) and (ii) Section 2.17(e) shall not apply with respect to any Taxes required to be withheld or deducted by a Borrower from or in respect of payments hereunder to any Lender or the Administrative Agent that exceed the Taxes such Borrower would have otherwise been required to withhold or deduct from or in respect of payments to such Lender or Administrative Agent had such CAM Exchange not occurred.

(b) In the event that, on or after the CAM Exchange Date, the aggregate amount of the Designated Obligations shall change as a result of the making of a LC Disbursement by an Issuing Bank that is not reimbursed by the applicable Borrower, then (i) each Revolving Lender (determined without giving effect to the CAM Exchange) shall, in accordance with Section 2.05(d), promptly purchase from the applicable Issuing Bank a participation in such LC Disbursement in the amount of such Revolving Lender's Applicable Percentage of such LC Disbursement (without giving effect to the CAM Exchange) and (ii) the Administrative Agent shall redetermine the CAM Percentages after giving effect to such disbursement and the making of such LC Disbursement and the purchase of participations therein by the applicable Revolving Lenders and the Lenders shall automatically and without further act be deemed to have exchanged interests in the Designated Obligations such that each Lender shall own an interest equal to such Lender's CAM Percentage in the Designated Obligations under each of the Tranches (and the interests in the Designated Obligations to be received in such deemed exchange shall, automatically and with no further action required, be converted into the US Dollar Equivalent of such amount in accordance with the first sentence of this Section 7.02), and (iii) in the event distributions shall have been made in accordance with clause (i) of the preceding paragraph, the Lenders shall make such payments to one another as shall be necessary in order that the amounts received by them shall be equal to the amounts they would have received had each such disbursement and LC Disbursement been outstanding on the CAM Exchange Date. Each such redetermination shall be binding on each of the Lenders and their successors and assigns and shall be conclusive, absent manifest error.

ARTICLE VIII

The Agents

In order to expedite the transactions contemplated by this Agreement, JPMCB is hereby appointed to act as Administrative Agent on behalf of the Lenders and Issuing Banks, JPME is hereby appointed to act as London Agent on behalf of the Lenders and JPMorgan Chase Bank, N.A., Toronto Branch, is hereby appointed to act as Canadian Agent on behalf of the Lenders. Each of the Lenders and each Issuing Bank

hereby irrevocably authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to the Agents by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Any bank serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not such Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Parent, any Borrower or any other Subsidiary or other Affiliate thereof as if it were not such Agent hereunder.

The Agents shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Parent, any Borrower or any other Subsidiary that is communicated to or obtained by the bank serving as Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or wilful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by a Borrower or a Lender, and no such Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with legal counsel (who may be counsel for any Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Such Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs and the provisions of Section 9.03 shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided in this paragraph, any Agent may resign at any time by notifying the Lenders, the Issuing Banks and Parent. Upon any such resignation, the Required Lenders shall have the right (in consultation with Parent) to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may (in consultation with Parent) on behalf of the Lenders, appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Agent.

Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

The institution named as Syndication Agent in the heading of this Agreement shall not, in its capacity as such, have any duties or responsibilities of any kind under this Agreement.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to Parent or any Borrower, to it at Clear Channel Entertainment, 2000 West Loop South, Ste 1300, Houston, Texas 77027-3512, Attention of David A. Cheadle, Vice President & Treasurer (Telecopy No. (713) 693-8679), with a copy to SFX Entertainment, Inc., 9348 Civic Center Drive, Beverly Hills, CA 90210, Attention of Alan Ridgeway, Chief Financial Officer (Telecopy No. (310) 867-7051);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 1111 Fannin, 10th Floor, Houston, Texas 77002, Attention of Gloria Javier (Telecopy No. (713) 750-2378), with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Tracey A. Ewing (Telecopy No. (212) 270-5127);

(iii) if to the London Agent, to it at J.P. Morgan Europe Limited, 125 London Wall, London EC2Y 5AJ, England, Attention of Loans Agency Division (Telecopy No. 011-44-207-777-2360), with a copy to the Administrative Agent as provided in clause (ii) above;

(iv) if to the Canadian Agent, to it at JPMorgan Chase Bank, N.A., Toronto Branch, 200 Bay Street, Royal Bank Plaza, South Tower, Suite 1800, Toronto, Ontario M5J 2J2, Canada, Attention of: Funding Officer (Telecopy No. (416) 981-9128); with a copy to the Administrative Agent as provided in clause (ii) above;

(v) if to any Issuing Bank, to it at the address most recently specified by it in a notice delivered to the Administrative Agent and Parent;

(vi) if to the Swingline Lender, to it at JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, Attention of Tracey A. Ewing (Telecopy No. (212) 270-5127); and

(vii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire if it has been delivered to the party sending such notice or communications; otherwise to such address (or telecopy number) reasonably believed (after consultation with the Administrative Agent) by the sending party to be the address (or telecopy number) of such other Lender.

(b) Notices and other communications among the Applicable Agents and the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by any Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan, acceptance of a B/A or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by Parent, the Borrowers and the Required Lenders or by Parent, the Borrowers and the Administrative Agent with the written consent of the Required Lenders, provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or any amount payable in respect of B/As or reduce the rate of interest thereon, or reduce any fees payable to any Lender hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or B/A (including any scheduled date of payment of the principal amount of any Term Loan under Section 2.10) or any LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, provided that, for the avoidance of doubt, this clause (iii) shall not apply to waivers, amendments or modifications of Section 2.11(c), (iv) waive or

change Section 2.18(b) or (c) or any other provision providing for the pro rata nature of sharing payments among the Lenders in a manner that would alter the pro rata sharing of payments required thereby, (v) waive or change any of the provisions of this Section or the definition of the term "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class or Tranche) required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender (or Lender of such Class or Tranche, as the case may be), (vi) release Parent, any Borrower or any other Subsidiary Loan Party from its Guarantee under the Security Documents (except as expressly provided in the Loan Documents), or limit its liability in respect of such Guarantee, without the written consent of each Lender, (vii) release all or substantially all of the Collateral from the Liens of the Security Documents (except as expressly provided in the Loan Documents), without the written consent of each Lender, (viii) waive or change any provision of Section 7.02 without the written consent of each Lender or (ix) waive or change any provision of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders under any Class or Tranche differently from those of Lenders under any other Class or Tranche without the written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Class or Tranche, and provided further that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of any Agent, any Issuing Bank or the Swingline Lender hereunder without the prior written consent of such Agent, such Issuing Bank or the Swingline Lender, as the case may be, and (B) with respect to any waiver, amendment or modification that by its terms is limited in effect to the rights or duties of Lenders under one or more (but less than all) of the Classes and Tranches, such waiver, amendment or modification may be effected by an agreement or agreements in writing entered into by Parent, the Borrowers and the requisite percentage in interest of Lenders under each affected Class or Tranche.

(c) Notwithstanding the foregoing or anything to the contrary contained herein, technical and conforming modifications to the Loan Documents may be made with the consent of the Borrowers to the extent necessary to integrate any Incremental Term Commitments or Incremental Revolving Commitments on substantially the same basis as the Term Loans or Revolving Facility Loans, as applicable.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Agents and their Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agents, in connection with the arrangement and the syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by each Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by any Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for any Agent, any Issuing Bank or any Lender, in connection with the

enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made, the B/As accepted or purchased or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, B/As or Letters of Credit.

(b) The Borrowers shall indemnify the Agents, the Issuing Banks and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the arrangement and the syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of the Loan Documents or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan, B/A or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by Parent, the Borrowers or any of the other Subsidiaries, or any Environmental Liability related in any way to Parent, the Borrowers or any of the other Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and regardless of whether such matter is initiated by a third party or by Parent or any Affiliate thereof, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealed judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or such Indemnitee's violation of any applicable law or breach of its obligations under the Loan Documents.

(c) To the extent that any Borrower fails to pay any amount required to be paid by it to any Agent, any Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent, such Issuing Bank or the Swingline Lender, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent, such Issuing Bank or the Swingline Lender in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the total Revolving Exposures, outstanding Term Loans and unused Commitments at the time.

(d) To the extent permitted by applicable law, none of Parent and the Borrowers shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan, any B/A or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the US Borrower, provided that no consent of the US Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of any Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) in the case of any assignment of all or a portion of a Revolving Commitment or any Lender's obligations in respect of its LC Exposure or Swingline Exposure, the Issuing Banks and the Swingline Lenders.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than the US Dollar Equivalent of US$5,000,000 or, in the case of a Term Commitment or a Term Loan, US$1,000,000 unless each of the US Borrower and the Administrative Agent otherwise consents, provided that no such consent of the US Borrower shall be required if an Event of Default has occurred and is continuing:

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of US$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender, provided that with respect to an assignment of any Revolving Loans or Revolving Commitments, an Approved Fund must be a Person that engages in making Loans of the type and nature of the applicable Revolving Loans and otherwise is able to perform each of the obligations of a Revolving Lender with respect to its applicable Revolving Commitments, in each case, in accordance with the applicable provisions hereof.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and

Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans, amounts in respect of B/As and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Agents, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in this Section and any written consent to such assignment required by this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of any Borrower, any Agent, any Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it), provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Agents, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement, provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that pertains to the participation it sold to such Participant. Subject to paragraph (c)(ii) of this Section, Parent and the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment

pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the US Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the US Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.17(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest, provided that (i) no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto, (ii) all costs, fees and expenses in connection with any such pledge or assignment shall be for the sole account of such Lender and (iii) the reassignment back to such Lender, free of any interests of such assignee, shall be for the sole account of such Lender. Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Bank") may grant to a special purpose funding vehicle (an "SPC") of such Granting Bank, identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the Borrowers, the option to provide to the Borrowers all or any part of any Loan that such Granting Bank would otherwise be obligated to make to the Borrowers pursuant to Section 2.01 or the option to participate in any Letter of Credit, as the case may be, provided that (i) nothing herein shall constitute a commitment to make any Loan by any SPC or to participate in any Letter of Credit and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, or to participate in such Letter of Credit the Granting Bank shall be obligated to make such Loan or participate in such Letter of Credit pursuant to the terms hereof. The making of a Loan by an SPC or the participation by such SPC in any Letter of Credit shall be deemed to utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan were made by the Granting Bank or such participation in a Letter of Credit were paid or taken, as the case may be by such Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the related Granting Bank makes such payment. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPC may

(i) with notice to, but without the prior written consent of, the Borrowers and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans or participations in any Letters of Credit to its Granting Bank or to any financial institutions (if consented to by the Borrowers and Administrative Agent) providing liquidity and/or credit facilities to or for the account of such SPC to fund the Loans made by such SPC or to support the securities (if any) issued by such SPC to fund such Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans or participations in any Letters of Credit (but not relating to any Borrower, except with Parent's consent) to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, acceptance and purchase or any B/As and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any B/A or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to any Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Agents and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or internet transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of a Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(a) Each of Parent and the Borrowers hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final, non-appealed judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that Parent, any Borrower, any Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any other party hereto or their properties in the courts of any jurisdiction.

(b) Each of Parent and the Borrowers hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law. Each Foreign Borrower hereby irrevocably appoints the US Borrower as its agent for service of process in respect of this Agreement and any Loan Document, provided that such appointment will not affect the right of any party to this Agreement to serve process on any Foreign Borrower in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Agents, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be instructed (and will agree) to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Parent, any Borrower or any other Subsidiary and its obligations hereunder, (g) upon conditions satisfactory to Parent, with the consent of Parent or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this

Section or (ii) becomes available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than Parent or a Borrower. For the purposes of this Section, the term "Information" means all information received from Parent or any Borrower relating to Parent or the Borrowers or any of their Affiliates, or their respective businesses, other than any such information that is available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by Parent or a Borrower, provided that in the case of information received from Parent or any Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law, including the Criminal Code (Canada) (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, including the Criminal Code (Canada), the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. Release of Liens and Guarantees. A Subsidiary Loan Party shall automatically be released from its obligations under the Loan Documents and all Liens in the Collateral of such Subsidiary Loan Party shall be automatically released and all provisions of the Loan Documents shall cease to apply to such Subsidiary Loan Party upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Loan Party ceases to be a Subsidiary, provided that if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent did not provide otherwise. Upon any sale or other transfer by any Subsidiary Loan Party (other than to Parent or any other Subsidiary) of any Collateral that is permitted under any Loan Document, or upon the effectiveness of any written consent to the release of the Lien granted under any Loan Document in any Collateral pursuant to Section 9.02 of this Agreement, the Lien on such Collateral shall be automatically released. In connection with any termination or release pursuant to this Section, the Administrative Agent shall execute and deliver to any Subsidiary Loan Party, at such Subsidiary Loan Party's expense, all documents that such Subsidiary Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

SECTION 9.15. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto (including any Foreign Borrower) agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each Borrower in respect of any sum due to any party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the Borrowers contained in this Section 9.15 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 9.16. USA Patriot Act Notice. Each of the Lenders and the Agents (for itself and not on behalf of any Lender) hereby notifies each Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender or such Agent, as applicable, to identify each Borrower in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CCE SPINCO, INC.,

by

/s/ Michael Rapino

Name: Michael Rapino
Title: Chief Executive Officer

SFX ENTERTAINMENT, INC.,

by

/s/ Michael Rapino

Name: Michael Rapino
Title: Chief Executive Officer

JPMORGAN CHASE BANK, N.A.,
individually and as Administrative Agent,

by /s/ Thomas H. Kozlark
Name: Thomas H. Kozlark
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
TORONTO BRANCH, as Canadian Agent,

by
/s/ Christine Chan
Name: Christine Chan
Title: Vice President

J.P. MORGAN EUROPE LIMITED, as
London Agent,

by
/s/ Lesley Pluck
Name: Lesley Pluck
Title: Associate

BANK OF AMERICA, N.A., as
Syndication Agent,

by /s/ Scott Conner

Name: Scott Conner
Title: Vice President

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

The Bank of New York

by /s/ Mehrasa Raygan

Name: Mehrasa Raygan
Title: Vice President

by

Name:
Title:

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

National City Bank

by /s/ Elizabeth A. Brosky

Name: Elizabeth A. Brosky
Title: Vice President

by

Name:
Title:

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

Wachovia Bank, N.A.

by /s/ Russ Lyons

Name: Russ Lyons
Title: Director

by

Name:
Title:

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

Credit Suisse, Cayman Islands Branch

by

/s/ Doreen Barr

Name: Doreen Barr
Title: Associate

by

/s/ Judith E. Smith

Name: Judith E. Smith
Title: Director

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

UBS Loan Finance LLC

by

/s/ Richard L. Tavrow

Name: Richard L. Tavrow
Title: Director
Banking Products Services, U.S.

by

/s/ Iris R. Otsa

Name: Iris R. Otsa
Title: Associate Director
Banking Products Services, U.S.

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:
Merrill Lynch Capital Corporation

by

/s/ Nancy E. Meadows

Name: Nancy E. Meadows
Title: Vice President

by

Name:
Title:

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

Goldman Sachs Credit Partners L.P.

By: /s/ William W. Archer
Name: William W. Archer
Title: Managing Director

By: _____
Name:
Title:

SIGNATURE PAGE TO THE CREDIT AGREEMENT DATED AS OF DECEMBER 21, 2005, AMONG CCE SPINCO, INC., SFX ENTERTAINMENT, INC., THE FOREIGN BORROWERS PARTY THERETO, THE LENDERS PARTY THERETO, JPMORGAN CHASE BANK, N.A., AS ADMINISTRATIVE AGENT, JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, AS CANADIAN AGENT, J.P. MORGAN EUROPE LIMITED, AS LONDON AGENT, AND BANK OF AMERICA, N.A., AS SYNDICATION AGENT

Name of Institution:

Deutsche Bank AG, New York Branch

By: /s/ Susan LeFevre
Name: Susan LeFevre
Title: Director

By: /s/ Evelyn Thierry
Name: Evelyn Thierry
Title: Vice President

Exhibit 10.12

GUARANTEE AND COLLATERAL AGREEMENT

dated as of

December 21, 2005,

among

CCE SPINCO, INC.,

SFX ENTERTAINMENT, INC.,

THE OTHER SUBSIDIARIES OF CCE SPINCO, INC.

IDENTIFIED HEREIN

and

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent

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GUARANTEE AND COLLATERAL AGREEMENT dated as of December 21, 2005, among CCE SPINCO, INC., SFX ENTERTAINMENT, INC., the other Subsidiaries of CCE SPINCO, INC. identified herein and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

Reference is made to the Credit Agreement dated as of December 21, 2005 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CCE Spinco, Inc. ("Parent"), SFX Entertainment, Inc. (the "US Borrower"), the Foreign Borrowers party thereto (together with the US Borrower, the "Borrowers"), the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Agent, J.P. Morgan Europe Limited, as London Agent, and Bank of America, N.A., as Syndication Agent. The Lenders have agreed to extend credit to the Borrowers subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement. Parent and the Subsidiary Loan Parties are affiliates of the Borrowers, will derive substantial benefits from the extension of credit to the Borrowers pursuant to the Credit Agreement and are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. *Credit Agreement.* (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings specified in the Credit Agreement. All terms defined in the New York UCC (as defined herein) and not defined in this Agreement have the meanings specified therein; the term "instrument" shall have the meaning specified in Article 9 of the New York UCC.

(b) The rules of construction specified in Section 1.03 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. *Other Defined Terms*. As used in this Agreement, the following terms have the meanings specified below:

"Account Debtor" means any Person who is or who may become obligated to any Grantor under, with respect to or on account of an Account.

"Agreement" means this Guarantee and Collateral Agreement.

"Article 9 Collateral" has the meaning assigned to such term in Section 4.01.

"Borrowers" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Claiming Party" has the meaning assigned to such term in Section 6.02.

"Collateral" means Article 9 Collateral and Pledged Collateral.

"Contributing Party" has the meaning assigned to such term in Section 6.02.

"Copyright License" means any written agreement, now or hereafter in effect, granting any right to any third party under any copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any copyright now or hereafter owned by any third party, and all rights of such Grantor under any such agreement.

"Copyrights" means all of the following now owned or hereafter acquired by any Grantor: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, including those listed on Schedule III.

"Credit Agreement" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Federal Securities Laws" has the meaning assigned to such term in Section 5.04.

"General Intangibles" means all choses in action and causes of action and all other intangible personal property of every kind and nature (other than Accounts) now owned or hereafter acquired by any Grantor, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Swap Agreements and other agreements)[1], Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts.

"Grantors" means Parent, the US Borrower and each other Material Subsidiary that is a Domestic Subsidiary.

"Guarantors" means Parent, the US Borrower and each other Material Subsidiary that is a Domestic Subsidiary.

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1 Name any specific contracts and include party names and dates.

"Guarantee and Collateral Agreement Supplement" means an instrument in the form of Exhibit I hereto.

"Parent" has the meaning assigned to such term in the preliminary statement of this Agreement.

"Intellectual Property" means all intellectual and similar property of every kind and nature now owned or hereafter acquired by any Grantor, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"License" means any Patent License, Trademark License, Copyright License or other license or sublicense agreement to which any Grantor is a party.

"Loan Document Obligations" means (a) the due and punctual payment by the Borrowers of (i) the principal of and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by any Borrower in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of LC Disbursements, interest thereon (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) and obligations to provide cash collateral, (iii) all reimbursement obligations of the Canadian Borrowers in respect of B/As accepted under or pursuant to the Credit Agreement and (iv) all other monetary obligations of the Borrowers under the Credit Agreement and each of the other Loan Documents, including obligations to pay fees, expense reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise, arising under the Loan Documents (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) and (b) the due and punctual payment of all the monetary obligations of each other Loan Party under or pursuant to the Credit Agreement and each of the other Loan Documents

"New York UCC" means the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations" means (a) Loan Document Obligations and (b) the due and punctual payment of all monetary obligations of each Loan Party under each Swap Agreement that (i) is in effect on the Effective Date with a counterparty that is a Lender or an Affiliate of a Lender as of the Effective Date or (ii) is entered into after the Effective Date with any counterparty that is a Lender or an Affiliate of a Lender at the

time such Swap Agreement is entered into (other than Swap Agreements entered into after (A) the principal of and interest on each Loan and all fees payable under or pursuant to the Credit Agreement have been paid in full, (B) the Lenders have no further commitment to lend under or pursuant to the Credit Agreement, (C) the LC exposures have been reduced to zero and (D) the Issuing Banks have no further obligations to issue Letters of Credit).

"Patent License" means any written agreement, now or hereafter in effect, granting to any third party any right to make, use or sell any invention on which a patent, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a patent, now or hereafter owned by any third party, is in existence, and all rights of any Grantor under any such agreement.

"Patents" means all of the following now owned or hereafter acquired by any Grantor: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, including those listed on Schedule III, and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

"Perfection Certificate" means a certificate substantially in the form of Exhibit II, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Financial Officer and the chief legal officer of the US Borrower.

"Pledged Collateral" has the meaning assigned to such term in Section 3.01.

"Pledged Debt Securities" has the meaning assigned to such term in Section 3.01.

"Pledged Securities" means any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"Pledged Stock" has the meaning assigned to such term in Section 3.01.

"Proceeds" has the meaning specified in Section 9-102 of the New York UCC.

"Secured Parties" means (a) the Lenders, (b) the Administrative Agent, (c) any Issuing Bank, (d) each counterparty to any Swap Agreement with a Loan Party the obligations under which constitute Obligations, (e) the beneficiaries of each

indemnification obligation undertaken by any Loan Party under any Loan Document and (f) the successors and assigns of each of the foregoing.

"Security Interest" has the meaning assigned to such term in Section 4.01.

"Subsidiary Loan Parties" means (a) the Subsidiaries identified on Schedule I and (b) each other Subsidiary that becomes a party to this Agreement as a Subsidiary Loan Party after the Effective Date.

"Trademark License" means any written agreement, now or hereafter in effect, granting to any third party any right to use any trademark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third party, and all rights of any Grantor under any such agreement.

"Trademarks" means all of the following now owned or hereafter acquired by any Grantor: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, including those listed on Schedule III, (b) all goodwill associated therewith or symbolized thereby and (c) all other assets, rights and interests that uniquely reflect or embody such goodwill.

"US Borrower" has the meaning assigned to such term in the preliminary statement of this Agreement.

"US Borrower Subsidiary Party" means each party hereto that is a Subsidiary of the US Borrower.

ARTICLE II

Guarantee

SECTION 2.01. *Guarantee.* Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the due and punctual payment of the Obligations. Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the applicable Borrower or any other Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

SECTION 2.02. *Guarantee of Payment.* Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Secured Party in favor of the applicable Borrower or any other Person.

SECTION 2.03. *No Limitations.* (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.13, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Administrative Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement; (iii) the release of any security held by the Administrative Agent or any other Secured Party for the Obligations or any of them; (iv) any default, failure or delay, wilful or otherwise, in the performance of the Obligations; or (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations). Each Guarantor expressly authorizes the Administrative Agent and the other Secured Parties to take and hold security for the payment of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the applicable Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the applicable Borrower or any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations. The Administrative Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the applicable Borrower or any other Loan Party or exercise any other right or remedy available to them against the applicable Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been indefeasibly paid in full in cash. To the fullest extent

permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the applicable Borrower or any other Loan Party, as the case may be, or any security.

SECTION 2.04. *Reinstatement*. Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent or any other Secured Party upon the bankruptcy or reorganization of any Borrower, any other Loan Party or otherwise.

SECTION 2.05. *Agreement To Pay; Subrogation.* In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the applicable Borrower or any other Loan Party to pay any Obligation when and as the same shall become due and after the expiration of any applicable grace period, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent for distribution to the applicable Secured Parties in cash the amount of such unpaid Obligation. Upon payment by any Guarantor of any sums to the Administrative Agent as provided above, all rights of such Guarantor against the applicable Borrower or any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. *Information*. Each Guarantor assumes all responsibility for being and keeping itself informed of each Borrower's and each other Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Secured Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

ARTICLE III

Pledge of Securities

SECTION 3.01. *Pledge.* As security for the payment, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Administrative Agent, its successors and assigns, for the benefit of the other Secured Parties, and hereby grants to the Administrative Agent, its successors and assigns, for the benefit of the other Secured Parties, a security interest in, all of such Grantor's right, title and interest in, to and under (a) all Equity Interests owned by it and listed on Schedule II and any other Equity Interests obtained in the future by such Grantor and, as reasonably requested by the Administrative Agent, the certificates or other instruments representing all such Equity Interests (the "Pledged Stock"), provided that the Pledged Stock shall not include

more than 66.5% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary to the extent that the pledge of any greater percentage would result in adverse tax consequences; (b)(i) all Indebtedness of Parent, any Borrower or any other Subsidiary that is evidenced by a promissory note, owing to any Loan Party and constitutes Collateral and listed opposite the name of such Grantor on Schedule II, (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (the "Pledged Debt Securities"); (c) all other property that may be delivered to and held by the Administrative Agent pursuant to the terms of this Section 3.01; (d) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above; (e) subject to Section 3.06, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above; and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the "Pledged Collateral"), provided that notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute a pledge or grant of a security interest in any Pledged Collateral if and for so long as the Administrative Agent, in consultation with the US Borrower, reasonably determines that the cost to any Borrower of creating or perfecting a pledge or security interest in such Pledged Collateral (taking into account any adverse tax consequences to Parent, the Borrowers and the other Subsidiaries (including the imposition of withholding or other material taxes on Lenders)) shall be commercially unreasonable in view of the benefits to be obtained by the Lenders therefrom.

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Administrative Agent, its successors and assigns, for the benefit of the other Secured Parties, forever; *subject*, *however*, to the terms, covenants and conditions hereinafter set forth.

SECTION 3.02. *Delivery of the Pledged Collateral.* (a) Each Grantor agrees promptly to deliver or cause to be delivered to the Administrative Agent, for the benefit of the other Secured Parties, any and all Pledged Securities.

(b) Upon delivery to the Administrative Agent, (i) any Pledged Securities shall be accompanied by stock powers duly endorsed in blank by the applicable Grantor or other instruments of transfer satisfactory to the Administrative Agent and by such other instruments and documents as the Administrative Agent may reasonably request and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment duly executed by the applicable Grantor and such other instruments or documents as the Administrative Agent may reasonably request. Each delivery of Pledged Securities shall be accompanied by a schedule describing the securities, which schedule shall be attached hereto as Schedule II and made a part hereof, provided that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 3.03. *Representations, Warranties and Covenants*. Each Grantor represents, warrants and covenants to and with the Administrative Agent, for the benefit of the other Secured Parties, that with respect to such Grantor:

(a) Schedule II correctly sets forth the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by such Grantor's Pledged Stock and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder by such Grantor in order to satisfy the Collateral and Guarantee Requirement;

(b) the Grantor's Pledged Stock and Pledged Debt Securities have been duly and validly authorized and issued by such Grantor and (i) in the case of such Pledged Stock, are fully paid and nonassessable and (ii) in the case of such Pledged Debt Securities, are legal, valid and binding obligations of such Grantor, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or law;

(c) except for the security interests granted hereunder, such Grantor (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule II as owned by such Grantor, (ii) holds the same free and clear of all Liens, other than Liens created by this Agreement, Permitted Encumbrances and transfers made in compliance with the Credit Agreement, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than Liens created by this Agreement, Permitted Encumbrances and transfers made in compliance with the Credit Agreement and (iv) will defend its title or interest thereto or therein against any and all Liens (other than Liens created by this Agreement and Permitted Encumbrances), however, arising, of all Persons whomsoever;

(d) except for restrictions and limitations imposed by the Loan Documents or securities laws generally, all of such Grantor's Pledged Collateral is and will continue to be freely transferable and assignable, and none of such Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or contractual restriction of any nature that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Administrative Agent of rights and remedies hereunder;

(e) each Grantor has the corporate or equivalent power and authority to pledge all of such Grantor's Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated;

(f) no consent or approval of any Governmental Authority, any securities exchange or any other Person to be obtained by any Loan Party pursuant to any

applicable law, rule or regulation applicable to it was or is necessary to the validity of such Grantor's pledge effected hereby (other than such as have been obtained and are in full force and effect);

(g) by virtue of the execution and delivery by such Grantor of this Agreement, when any of such Grantor's Pledged Securities are delivered to the Administrative Agent in accordance with this Agreement, the Administrative Agent will obtain a legal, valid and perfected first-priority lien upon and security interest in such Pledged Securities as security for the payment of the Obligations;

(h) such Grantor's pledge effected hereby is effective to vest in the Administrative Agent, for the benefit of the other Secured Parties, the rights of the Administrative Agent in all of such Grantor's Pledged Collateral as set forth herein; and

(i) none of such Grantor's Pledged Stock consisting of partnership or limited liability company interests (i) is dealt in or traded on a securities exchange or securities market, (ii) is a security governed by Article 8 of the New York UCC, (iii) is an investment company security, (iv) is held in a securities account or (v) constitutes a "security" or "financial asset" as such terms are defined in Article 8 of the New York UCC.

SECTION 3.04. *Limited Liability Company and Limited Partnership Interests*. So long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid or any Letter of Credit or B/A is outstanding and so long as the Commitments have not expired or terminated, such Grantor shall not elect to treat any interest in any limited liability company or limited partnership pledged hereunder as a "security" within the meaning of Article 8 of the New York UCC or issue any certificate representing such interest, unless such Grantor provides prior written notification to the Administrative Agent of such election and immediately delivers any such certificate to the Administrative Agent pursuant to the terms hereof.

SECTION 3.05. *Registration in Nominee Name; Denominations*. The Administrative Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, the name of its nominee (as pledgee or as sub-agent) or the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Administrative Agent. Each Grantor will promptly give to the Administrative Agent copies of any notices or other communications received by it with respect to Pledged Securities registered in the name of such Grantor. The Administrative Agent shall at all times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. *Voting Rights; Dividends and Interest.* (a) Unless and until an Event of Default shall have occurred and be continuing and the Administrative

Agent shall have notified the US Borrower that the rights of the Grantors under this Section 3.06 are being suspended:

(i) Each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents, provided that such rights and powers shall not be exercised in any manner that could reasonably be expected to materially and adversely affect the rights inuring to a holder of any Pledged Securities or the rights and remedies of any of the Administrative Agent or the other Secured Parties under this Agreement or the Credit Agreement or any other Loan Document or the ability of the Secured Parties to exercise the same.

(ii) The Administrative Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to such Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above.

(iii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable laws, provided that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities or any part thereof, or in redemption thereof, or as a result of any merger, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise, shall be and become part of the Pledged Collateral, and, if received by any Grantor, shall not be commingled by such Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Administrative Agent and the other Secured Parties and shall be forthwith delivered to the Administrative Agent in the same form as so received (with any necessary endorsement reasonably requested by the Administrative Agent).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Administrative Agent shall have notified the US Borrower of the suspension of the rights of the Grantors under paragraph (a)(i) of this Section 3.06, then all rights of any Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06, and the obligations of the Administrative Agent under paragraph (a)(ii) of this Section 3.06, shall cease, and all such rights shall thereupon become vested in the Administrative Agent, for the benefit of the other Secured Parties, which shall have the sole and exclusive right and authority

to exercise such voting and/or consensual rights and powers, provided that, unless otherwise directed by the Required Lenders, the Administrative Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Grantors to exercise such rights. After all Events of Default have been cured or waived and the US Borrower has delivered to the Administrative Agent a certificate to that effect, each Grantor shall have the exclusive right to exercise the voting and/or consensual rights and powers that such Grantor would otherwise be entitled to exercise pursuant to the terms of paragraph (a)(i) above and the obligations of the Administrative Agent under paragraph (a)(ii) of this Section 3.06 shall be reinstated.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Administrative Agent shall have notified the US Borrower of the suspension of the rights of the Grantors under paragraph (a)(iii) of this Section 3.06, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Administrative Agent, for the benefit of the other Secured Parties, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 3.06 shall be held in trust for the benefit of the Administrative Agent and the other Secured Parties, shall be segregated from other property or funds of such Grantor and shall be forthwith delivered to the Administrative Agent in the same form as so received (with any necessary endorsement reasonably requested by the Administrative Agent). Any and all money and other property paid over to or received by the Administrative Agent pursuant to the provisions of this paragraph (b) shall be retained by the Administrative Agent in an account to be established by the Administrative Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and the US Borrower has delivered to the Administrative Agent a certificate to that effect, the Administrative Agent shall promptly repay to each Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(d) Any notice given by the Administrative Agent to the US Borrower suspending the rights of the Grantors under paragraph (a) of this Section 3.06 (i) may be given by telephone if promptly confirmed in writing, (ii) may be given with respect to one or more of the Grantors at the same or different times and (iii) may suspend the rights of the Grantors under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Administrative Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Administrative Agent’s rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. *Security Interest*. (a) As security for the payment in full of the Obligations, each Grantor hereby assigns and pledges to the Administrative Agent, its successors and assigns, for the benefit of the other Secured Parties, and hereby grants to the Administrative Agent, its successors and assigns, for the benefit of the other Secured Parties, a security interest (the "Security Interest") in, all right, title or interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Article 9 Collateral"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all Deposit Accounts;

(iv) all Documents;

(v) all Equipment;

(vi) all General Intangibles;

(vii) all Instruments;

(viii) all Inventory;

(ix) all Investment Property;

(x) letter of credit rights;

(xi) commercial tort claims listed on Schedule V;

(xii) all books and records pertaining to the Article 9 Collateral; and

(xiii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing,

provided that notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute a grant of a security interest in (A) any Excluded Assets or (B) any asset if and for so long as the Administrative Agent, in consultation with the US Borrower, reasonably determines that the cost to any Borrower of creating or perfecting a pledge or security interest in such asset (taking into account any adverse tax consequences to Parent, the Borrowers and the other Subsidiaries (including the

imposition of withholding or other material taxes on Lenders)) shall be commercially unreasonable in view of the benefits to be obtained by the Lenders therefrom.

(b) Each Grantor hereby irrevocably authorizes the Administrative Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) with respect to the Article 9 Collateral or any part thereof and amendments thereto that (i) indicate the Collateral as all assets of such Grantor or words of similar effect as being of an equal or lesser scope or with greater detail and (ii) contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (a) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (b) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Grantor agrees to provide such information to the Administrative Agent promptly upon request.

Each Grantor also ratifies its authorization for the Administrative Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

The Administrative Agent is further authorized to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor, without the signature of any Grantor, and naming any Grantor or the Grantors as debtors and the Administrative Agent as secured party.

(c) The Security Interest is granted as security only and shall not subject the Administrative Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Grantor with respect to or arising out of the Article 9 Collateral.

(d) Notwithstanding anything herein to the contrary, in no event shall the security interest granted hereunder attach to any contract, agreement or instrument to which a Grantor is a party or any of its rights or interests thereunder if and for so long as the grant of such security interest shall constitute or result in (i) the unenforceability of any right of the Grantor therein or (ii) in a breach or termination pursuant to the terms of, or a default under, any such contract, agreement or instrument (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the New York UCC or any other applicable law or principles of equity), provided, however, that such security interest shall attach immediately at such time as the condition causing such unenforceability shall be remedied and, to the extent severable, shall attach immediately to any portion of such contract or agreement that does not result in any of the consequences specified in clause (i) or (ii) above including any proceeds of such contract or agreement.

SECTION 4.02. *Representations and Warranties*. Each Grantor represents and warrants to the Administrative Agent and the other Secured Parties that with respect to such Grantor:

(a) Such Grantor has good and valid rights in and title to such Grantor's Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder and has full corporate or equivalent power and authority to grant to the Administrative Agent, for the benefit of the other Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other Person other than any consent or approval that has been obtained and in full force and effect.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of such Grantor, is correct and complete as of the Effective Date. The Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations prepared by the Administrative Agent based upon the information provided to the Administrative Agent by such Grantor in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 2 to the Perfection Certificate (or specified by notice from the US Borrower to the Administrative Agent after the Effective Date in the case of filings, recordings or registrations required by Section 5.03(a) or 5.12 of the Credit Agreement), are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in all of such Grantor's Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Administrative Agent, for the benefit of the other Secured Parties, in respect of all of such Grantor's Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements. Each Grantor represents and warrants that a fully executed agreement in the form hereof and containing a description of all of such Grantor's Article 9 Collateral consisting of Intellectual Property with respect to United States Patents and United States registered Trademarks (and Trademarks for which United States registration applications are pending) and United States registered Copyrights have been delivered to the Administrative Agent for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, and otherwise as may be required pursuant to the laws of any other necessary jurisdiction, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Administrative Agent, for the benefit of the other Secured Parties, in respect of all of such Grantor's Article 9 Collateral consisting of Patents, Trademarks and Copyrights in which a security interest may be perfected by filing, recording or

registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any of such Grantor's Article 9 Collateral consisting of Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the Effective Date)).

(c) The Security Interest constitutes (i) a legal and valid security interest in all of such Grantor's Article 9 Collateral securing the payment of the Obligations, (ii) subject to the filings described in Section 4.02(b), a perfected security interest in all of such Grantor's Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all of such Grantor's Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of this Agreement with the United States Patent and Trademark Office and the United States Copyright Office, as applicable, within the three-month period (commencing as of the date hereof) pursuant to 35 U.S.C. § 261 or 15 U.S.C. § 1060 or the one month period (commencing as of the date hereof) pursuant to 17 U.S.C. § 205 and otherwise as may be required pursuant to the laws of any other necessary jurisdiction. The Security Interest is and shall be prior to any other Lien on any of such Grantor's Article 9 Collateral, other than Permitted Encumbrances that have priority as a matter of law and Liens expressly permitted to be prior to the Security Interest pursuant to Section 6.02(a) of the Credit Agreement.

(d) All of such Grantor's Article 9 Collateral is owned by such Grantor free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02(a) of the Credit Agreement. Such Grantor has not filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any of such Grantor's Article 9 Collateral, (ii) any assignment in which any such Grantor assigns any Collateral or any security agreement or similar instrument covering any of such Grantor's Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office or (iii) any assignment in which any such Grantor assigns any of such Grantor's Article 9 Collateral or any security agreement or similar instrument covering any of such Grantor's Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02(a) of the Credit Agreement.

SECTION 4.03. *Covenants*. (a) Each Grantor agrees promptly to notify the Administrative Agent in writing of any change (i) in its corporate name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties, (ii) in the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Article 9 Collateral owned by it or any office or facility at which Article 9 Collateral owned by it is located

(including the establishment of any such new office or facility), (iii) in its identity or type of organization or corporate structure, (iv) to the extent applicable, in its Federal Taxpayer Identification Number or organizational identification number or (v) in its jurisdiction of organization. Each Grantor agrees to promptly provide the Administrative Agent with certified organizational documents reflecting any of the changes described in the first sentence of this paragraph. Each Grantor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all of such Grantor's Article 9 Collateral. Each Grantor agrees promptly to notify the Administrative Agent if any material portion of the Article 9 Collateral owned or held by such Grantor is damaged or destroyed.

(b) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Article 9 Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, but in any event to include complete accounting records indicating all payments and proceeds received with respect to any part of the Article 9 Collateral owned by it, and, at such time or times as the Administrative Agent may reasonably request, promptly to prepare and deliver to the Administrative Agent a duly certified schedule or schedules in form and detail satisfactory to the Administrative Agent showing the identity, amount and location of any and all Article 9 Collateral owned by it.

(c) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.01(a) of the Credit Agreement, Parent shall deliver to the Administrative Agent a certificate executed by a Financial Officer and the general counsel of Parent (i) setting forth the information required pursuant to Section 2 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date or the date of the most recent certificate delivered pursuant to this Section 4.03(c) and (ii) certifying that, to the best knowledge of such Financial Officer and general counsel, all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Article 9 Collateral have been filed of record in each governmental, municipal or other appropriate office in each jurisdiction identified pursuant to clause (a) of this Section 4.03 to the extent necessary to protect and perfect the Security Interest for a period of not less than 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period). Each certificate delivered pursuant to this Section 4.03(c) shall identify in the format of Schedule III all Intellectual Property of any Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Administrative Agent.

(d) Each Grantor shall, at its own expense, take any and all actions necessary to defend title to the Article 9 Collateral owned by it against all Persons and to defend the Security Interest of the Administrative Agent in the Article 9 Collateral owned

by it and the priority thereof against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

(e) Each Grantor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Administrative Agent may from time to time reasonably request to better assure, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable under or in connection with any of the Article 9 Collateral owned by it shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged and delivered to the Administrative Agent, duly endorsed in a manner satisfactory to the Administrative Agent.

Without limiting the generality of the foregoing, each Grantor hereby authorizes the Administrative Agent, with prompt notice thereof to the Grantors, to supplement this Agreement by supplementing Schedule III or adding additional schedules hereto to specifically identify any asset or item that may constitute Copyrights, Licenses, Patents or Trademarks, provided that any Grantor shall have the right, exercisable within 10 days after it has been notified by the Administrative Agent of the specific identification of such Collateral, to advise the Administrative Agent in writing of any inaccuracy of the representations and warranties made by such Grantor hereunder with respect to such Collateral. Each Grantor agrees that it will use its commercially reasonable efforts to take such action as shall be necessary in order that all representations and warranties hereunder shall be true and correct in all material respects with respect to such Collateral within 30 days after the date it has been notified by the Administrative Agent of the specific identification of such Collateral.

(f) The Administrative Agent and such Persons as the Administrative Agent may reasonably designate shall have the right, at the Grantors' own cost and expense, to inspect the Article 9 Collateral, all records related thereto (and to make extracts and copies from such records) and the premises upon which any of the Article 9 Collateral is located, to discuss the Grantors' affairs with the officers of the Grantors and their independent accountants and to verify under reasonable procedures, the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Article 9 Collateral, including, in the case of Accounts or Article 9 Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Article 9 Collateral for the purpose of making such a verification. The Administrative Agent shall have the absolute right to share any information it gains from such inspection or verification with any Secured Party.

(g) At its option, the Administrative Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not permitted pursuant to Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9

Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Administrative Agent on demand for any payment made or any reasonable expense incurred by the Administrative Agent pursuant to the foregoing authorization, provided that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Administrative Agent or any other Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances or maintenance as set forth herein or in the other Loan Documents.

(h) If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other Person to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Administrative Agent for the benefit of the other Secured Parties. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other Person granting the security interest.

(i) Each Grantor (rather than the Administrative Agent or any Secured Party) shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Administrative Agent and the other Secured Parties from and against any and all liability for such performance.

(j) None of the Grantors shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral, except as permitted by the Credit Agreement. None of the Grantors shall make or permit to be made any transfer of the Article 9 Collateral and each Grantor shall remain at all times in possession of the Article 9 Collateral owned by it, except that unless and until the Administrative Agent shall notify the Grantors that an Event of Default shall have occurred and be continuing and that during the continuance thereof the Grantors shall not sell, convey, lease, assign, transfer or otherwise dispose of any Article 9 Collateral (which notice may be given by telephone if promptly confirmed in writing), the Grantors may use and dispose of the Article 9 Collateral in any lawful manner not inconsistent with the provisions of this Agreement, the Credit Agreement or any other Loan Document. Without limiting the generality of the foregoing, each Grantor agrees that it shall not permit any Inventory to be in the possession or control of any warehouseman, agent, bailee, or processor at any time unless such warehouseman, bailee, agent or processor shall have been notified of the Security Interest and shall have acknowledged in writing, in form and substance reasonably satisfactory to the Administrative Agent, that such warehouseman, agent, bailee or processor holds the Inventory for the benefit of the Administrative Agent subject to the Security Interest and shall act upon the instructions of the Administrative Agent without further consent from the Grantor, and that such warehouseman, agent, bailee or processor further agrees to

waive and release any Lien held by it with respect to such Inventory, whether arising by operation of law or otherwise.

(k) None of the Grantors will, without the Administrative Agent's prior written consent, grant any extension of the time of payment of any Accounts included in the Article 9 Collateral, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof or allow any credit or discount whatsoever thereon, other than extensions, compromises, settlements, releases, credits or discounts granted or made in the ordinary course of business and consistent with its current practices and in accordance with such prudent and standard practice used in industries that are the same as or similar to those in which such Grantor is engaged.

(l) The Grantors, at their own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Schedule IV hereto and Section 5.07 of the Credit Agreement. Each Grantor irrevocably makes, constitutes and appoints the Administrative Agent (and all officers, employees or agents designated by the Administrative Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Administrative Agent may, without waiving or releasing any obligation or liability of the Grantors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Administrative Agent reasonably deems advisable. All reasonable out-of-pocket sums disbursed by the Administrative Agent in connection with this paragraph, including reasonable attorneys' fees, court costs, reasonable out-of-pocket expenses and other reasonable charges relating thereto, shall be payable, upon demand, by the Grantors to the Administrative Agent and shall be additional Obligations secured hereby.

(m) Each Grantor shall maintain, in form and manner reasonably satisfactory to the Administrative Agent, records of its Chattel Paper and its books, records and documents evidencing or pertaining thereto.

SECTION 4.04. *Other Actions*. In order to further insure the attachment, perfection and priority of, and the ability of the Administrative Agent to enforce, the Security Interest, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) *Instruments*. If any Grantor shall at any time hold or acquire any Instruments, such Grantor shall forthwith endorse, assign and deliver the same to the Administrative Agent, for the benefit of the other Secured Parties,

accompanied by such instruments of transfer or assignment duly endorsed in blank by such Grantor as the Administrative Agent may from time to time reasonably request.

(b) *Deposit Accounts*. For each deposit account that any Grantor at any time opens or maintains, such Grantor shall, either (i) cause the depositary bank to agree to comply with instructions from the Administrative Agent to such depositary bank directing the disposition of funds from time to time credited to such deposit account, without further consent of such Grantor or any other Person, pursuant to an agreement satisfactory to the Administrative Agent, or (ii) arrange for the Administrative Agent to become the customer of the depositary bank with respect to the deposit account, with the Grantor being permitted, only with the consent of the Administrative Agent, to exercise rights to withdraw funds from such deposit account. The Administrative Agent agrees with each Grantor that the Administrative Agent shall not give any such instructions or withhold any withdrawal rights from any Grantor unless an Event of Default has occurred and is continuing, or, after giving effect to any such withdrawal rights, would occur. The provisions of this paragraph shall not apply to (A) any deposit account for which any Grantor, the depositary bank and the Administrative Agent have entered into a cash collateral agreement specially negotiated among such Grantor, the depositary bank and the Administrative Agent for the specific purpose set forth therein and (B) deposit accounts for which the Administrative Agent is the depositary.

(c) *Investment Property*. Except to the extent otherwise provided in Article III, if any Grantor shall at any time hold or acquire any certificated securities, such Grantor shall forthwith endorse, assign and deliver the same to the Administrative Agent, for the benefit of the other Secured Parties, accompanied by such instruments of transfer or assignment duly endorsed in blank by such Grantor as the Administrative Agent may from time to time specify. If any securities now or hereafter acquired by any Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall immediately notify the Administrative Agent thereof and, at the Administrative Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) cause the issuer to agree to comply with instructions from the Administrative Agent as to such securities, without further consent of any Grantor or such nominee, or (ii) arrange for the Administrative Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a securities intermediary or commodity intermediary, such Grantor shall immediately notify the Administrative Agent thereof and, at the Administrative Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply with entitlement orders or other instructions from the Administrative Agent to such securities intermediary as to

such security entitlements, or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Administrative Agent to such commodity intermediary, in each case without further consent of any Grantor or such nominee, or (ii) in the case of financial assets or other Investment Property held through a securities intermediary, arrange for the Administrative Agent to become the entitlement holder with respect to such investment property, with the Grantor being permitted, only with the consent of the Administrative Agent, to exercise rights to withdraw or otherwise deal with such investment property. The Administrative Agent agrees with each Grantor that the Administrative Agent shall not give any such entitlement orders or instructions or directions to any such issuer, securities intermediary or commodity intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights, would occur. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which the Administrative Agent is the securities intermediary.

(d) *Electronic Chattel Paper and Transferable Records.* If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Grantor shall promptly notify the Administrative Agent thereof and, at the request of the Administrative Agent, shall take such action as the Administrative Agent may reasonably request to vest in the Administrative Agent control under New York UCC Section 9-105 of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Administrative Agent agrees with such Grantor that the Administrative Agent will arrange, pursuant to procedures reasonably satisfactory to the Administrative Agent and so long as such procedures will not result in the Administrative Agent's loss of control, for the Grantor to make alterations to the electronic chattel paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such electronic chattel paper or transferable record.

(e) *Letter of Credit Rights*. If any Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Grantor, such Grantor shall promptly notify the Administrative Agent thereof and, at the request and option of the Administrative Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative

Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Administrative Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Administrative Agent to become the transferee beneficiary of the letter of credit, with the Administrative Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

((f) *Commercial Tort Claims.* If any Grantor shall at any time hold or acquire a commercial tort claim in an amount reasonably estimated to exceed $250,000, the Grantor shall promptly notify the Administrative Agent thereof in a writing signed by such Grantor including a summary description of such claim and grant to the Administrative Agent in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent.

SECTION 4.05. *Covenants Regarding Patent, Trademark and Copyright Collateral*. (a) Each Grantor agrees that it will not do any act or omit do to any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act) whereby any Patent that is material to the conduct of such Grantor's business may become invalidated or dedicated to the public, and agrees that it shall continue to mark any products covered by a Patent with the relevant patent number as necessary and sufficient to establish and preserve its maximum rights under applicable patent laws.

(b) Each Grantor (either itself or through its licensees or its sublicensees) will, for each Trademark material to the conduct of such Grantor's business, (i) maintain such Trademark in full force free from any claim of abandonment or invalidity for non-use, (ii) maintain the quality of products and services offered under such Trademark, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and sufficient to establish and preserve its maximum rights under applicable law and (iv) not knowingly use or knowingly permit the use of such Trademark in violation of any third party rights.

(c) Each Grantor (either itself or through its licensees or sublicensees) will, for each work covered by a material Copyright, continue to publish, reproduce, display, adopt and distribute the work with appropriate copyright notice as necessary and sufficient to establish and preserve its maximum rights under applicable copyright laws.

(d) Each Grantor shall notify the Administrative Agent promptly if it knows or has reason to know that any Patent, Trademark or Copyright material to the conduct of its business may become abandoned, lost or dedicated to the public, or of any materially adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any

country) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) In no event shall any Grantor, either itself or through any agent, employee, licensee or designee, file an application for any Patent, Trademark or Copyright (or for the registration of any Trademark or Copyright) with the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, unless it promptly informs the Administrative Agent, and, upon request of the Administrative Agent, executes and delivers any and all agreements, instruments, documents and papers as the Administrative Agent may reasonably request to evidence the Administrative Agent's security interest in such Patent, Trademark or Copyright, and each Grantor hereby appoints the Administrative Agent as its attorney-in-fact to execute and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable.

(f) Each Grantor will take all necessary steps that are consistent with the practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with good business judgment, to initiate opposition, interference and cancelation proceedings against third parties.

(g) In the event that any Grantor has reason to believe that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been or is about to be infringed, misappropriated or diluted by a third party, such Grantor promptly shall notify the Administrative Agent and shall, if consistent with good business judgment, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as are appropriate under the circumstances to protect such Article 9 Collateral.

(h) Upon and during the continuance of an Event of Default, each Grantor shall use its commercially reasonable efforts to obtain all requisite consents or approvals by the licensor of each Copyright License, Patent License or Trademark License to effect the assignment of all such Grantor's right, title and interest thereunder to the Administrative Agent or its designee.

ARTICLE V

Remedies

SECTION 5.01. *Remedies Upon Default*. Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Administrative Agent on demand, and it is agreed that the Administrative Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantors to the Administrative Agent, or to license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Administrative Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent that waivers cannot be obtained on commercially reasonable terms), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Administrative Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Administrative Agent shall deem appropriate. The Administrative Agent shall be authorized at any such sale of securities (if it deems it advisable to do so) to restrict the prospective bidders or purchasers to Persons who will represent and agree that they are purchasing the Collateral for their own account for investment and not with a view to the distribution or sale thereof, and upon consummation of any such sale the Administrative Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold. Each such purchaser at any sale of Collateral shall hold the property sold absolutely, free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by law) all rights of redemption, stay and appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

The Administrative Agent shall give the applicable Grantors 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Administrative Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the

Administrative Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Administrative Agent may (in its sole and absolute discretion) determine. The Administrative Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future delivery, the Collateral so sold may be retained by the Administrative Agent until the sale price is paid by the purchaser or purchasers thereof, but the Administrative Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Secured Party may bid for or purchase, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Administrative Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Administrative Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Administrative Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. *Application of Proceeds*. The Administrative Agent shall apply the proceeds of any collection or sale of Collateral, including any Collateral consisting of cash, as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent in connection with such collection or sale or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all advances made by the Administrative Agent hereunder or under any other Loan Document on behalf of

any Grantor and any other reasonable out-of-pocket costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document;

SECOND, to the payment in full of the Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Obligations owed to them on the date of any such distribution); and

THIRD, to the Grantors, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Administrative Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Administrative Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the Administrative Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Administrative Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 5.03. *Grant of License to Use Intellectual Property*. For the purpose of enabling the Administrative Agent to exercise rights and remedies under this Agreement at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Administrative Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors) to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. The use of such license by the Administrative Agent may be exercised, at the option of the Administrative Agent, upon the occurrence and during the continuation of an Event of Default, provided that any license, sublicense or other transaction entered into by the Administrative Agent in accordance herewith shall be binding upon the Grantors notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. *Securities Act.* In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as from time to time in effect being called the "Federal Securities Laws") with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Administrative Agent if the Administrative Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the

extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Administrative Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Administrative Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Administrative Agent, in its sole and absolute discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Administrative Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Administrative Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Administrative Agent sells.

SECTION 5.05. *Registration.* Each Grantor agrees that, upon the occurrence and during the continuance of an Event of Default, if for any reason the Administrative Agent desires to sell any of the Pledged Collateral at a public sale, such Grantor will, at any time and from time to time, upon the written request of the Administrative Agent, use its commercially reasonable efforts to take or to cause the issuer of such Pledged Collateral to take such action and prepare, distribute and/or file such documents, as are required or advisable in the reasonable opinion of counsel for the Administrative Agent to permit the public sale of such Pledged Collateral. Each Grantor further agrees to indemnify, defend and hold harmless the Administrative Agent, each other Secured Party, any underwriter and their respective officers, directors, affiliates and controlling persons from and against all loss, liability, reasonable out-of-pocket expenses, reasonable costs of counsel (including reasonable fees and expenses to the Administrative Agent of legal counsel), and claims (including the reasonable costs of investigation) that they may incur insofar as such loss, liability, expense or claim arises out of or is based upon any alleged untrue statement of a material fact contained in any prospectus (or any amendment or supplement thereto) or in any notification or offering circular, or arises out of or is based upon any alleged omission to state a material fact required to be stated therein or necessary to make the statements in any thereof not misleading, except insofar as the same may have been caused by any untrue statement or omission based upon information furnished in writing to such Grantor or the issuer of such Pledged Collateral by the Administrative Agent or any other Secured Party expressly for use therein. Each Grantor further agrees, upon such written request referred to above, to use its

commercially reasonable efforts to qualify, file or register, or cause the issuer of such Pledged Collateral to qualify, file or register, any of the Pledged Collateral under the Blue Sky or other securities laws of such states as may be requested by the Administrative Agent and keep effective, or cause to be kept effective, all such qualifications, filings or registrations. Each Grantor will bear all costs and expenses of carrying out its obligations under this Section 5.05. Each Grantor acknowledges that there is no adequate remedy at law for failure by it to comply with the provisions of this Section 5.05 and that such failure would not be adequately compensable in damages, and therefore agrees that its agreements contained in this Section 5.05 may be specifically enforced.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. *Indemnity and Subrogation.* In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), each Borrower agrees that (a) in the event a payment of an obligation shall be made by any Guarantor under this Agreement, such Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the Person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Grantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an obligation owed to any Secured Party, the applicable Borrower shall indemnify such Grantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. *Contribution and Subrogation.* Each US Borrower Subsidiary Party (a "Contributing Party") agrees (subject to Section 6.03) that, in the event a payment shall be made by any other US Borrower Subsidiary Party hereunder in respect of any Obligation or assets of any other US Borrower Subsidiary Party shall be sold pursuant to any Security Document to satisfy any Obligation owed to any Secured Party and such other US Borrower Subsidiary Party (the "Claiming Party") shall not have been fully indemnified by the applicable Borrower as provided in Section 6.01, the Contributing Party shall indemnify the Claiming Party in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Party on the date hereof and the denominator shall be the aggregate net worth of all the US Borrower Subsidiary Parties on the date hereof (or, in the case of any US Borrower Subsidiary Party becoming a party hereto pursuant to Section 7.14, the date of the Guarantee and Collateral Agreement Supplement hereto executed and delivered by such US Borrower Subsidiary Party). Any Contributing Party making any payment to a Claiming Party pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Party under Section 6.01 to the extent of such payment.

SECTION 6.03. *Subordination*. (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors and Grantors under

Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations. No failure on the part of any Borrower or any Guarantor or Grantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor or Grantor with respect to its obligations hereunder, and each Guarantor or Grantor shall remain liable for the full amount of the obligations of such Guarantor or Grantor hereunder.

(b) Each Guarantor and Grantor hereby agrees that all Indebtedness and other monetary obligations owed by it to any other Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations.

ARTICLE VII

Miscellaneous

SECTION 7.01. *Notices*. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Loan Party shall be given to it in care of the US Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. *Waivers; Amendment*. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 7.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of such Default at the time. No notice to or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.02 of the Credit Agreement.

SECTION 7.03. *Administrative Agent's Fees and Expenses; Indemnification*. (a) The parties hereto agree that the Administrative Agent shall be entitled to reimbursement of its reasonable out-of-pocket expenses incurred hereunder as provided in Section 9.03 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, each Grantor and each Guarantor agrees to indemnify the Administrative Agent and the other Indemnitees (as defined in Section 9.03(b) of the Credit Agreement) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related reasonable out-of-pocket expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, reasonably incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the arrangement and the syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of the Loan Documents or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan, B/A or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by Parent, the Borrowers or any of the other Subsidiaries, or any Environmental Liability related in any way to Parent, the Borrowers or any of the other Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and regardless of whether such matter is initiated by a third party or by Parent or any Affiliate thereof, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related reasonable out-of-pocket expenses are determined by a court of competent jurisdiction by final and non-appealed judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or such Indemnitee's violation of any applicable law or breach of its obligations under the Loan Documents.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.03 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent or any other Secured Party. All amounts due under this Section 7.03 shall be payable on written demand therefor.

SECTION 7.04. *Successors and Assigns*. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and

agreements by or on behalf of any Guarantor, Grantor or the Administrative Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.05. *Survival of Agreement*. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any Lender or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated.

SECTION 7.06. *Counterparts; Effectiveness; Several Agreement*. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Administrative Agent and a counterpart hereof shall have been executed on behalf of the Administrative Agent, and thereafter shall be binding upon such Loan Party and the Administrative Agent and their respective permitted successors and assigns, and shall inure to the benefit of such Loan Party, the Administrative Agent and the other Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.07. *Severability*. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or uneforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7.08. *Right of Set-Off*. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Subsidiary Loan Party against any of and all the obligations of such Subsidiary Loan Party now or hereafter existing under this Agreement owed to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section 7.08 are in addition to other rights and remedies (including other rights of set-off) which such Lender may have.

SECTION 7.09. *Governing Law; Jurisdiction; Consent to Service of Process*. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of Parent, the US Borrower and the Subsidiary Loan Parties hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final, non-appealed judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that Parent, the US Borrower, the Subsidiary Loan Parties, any Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any other party hereto or their properties in the courts of any jurisdiction.

(c) Each of Parent, the US Borrower and the Subsidiary Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section 7.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 7.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10.

SECTION 7.11. *Headings*. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 7.12. *Security Interest Absolute*. All rights of the Administrative Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor and Guarantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor or Guarantor in respect of the Obligations or this Agreement.

SECTION 7.13. *Termination or Release*. (a) This Agreement, the Guarantees made herein, the Security Interest and all other security interests granted hereby shall terminate when all the outstanding Loan Document Obligations have been indefeasibly paid in full and the Lenders have no further commitment to lend under the Credit Agreement, the LC Exposure has been reduced to zero and the Issuing Banks have no further obligations to issue Letters of Credit under the Credit Agreement.

(b) A Subsidiary Loan Party shall automatically be released from its obligations hereunder and the Security Interest in the Collateral of such Subsidiary Loan Party shall be automatically released and all provisions of the Loan Documents shall cease to apply to such Subsidiary Loan Party upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subsidiary Loan Party

ceases to be a Subsidiary, provided that if so required by the Credit Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent did not provide otherwise.

(c) Upon any sale or other transfer by any Grantor (other than to Parent or any Subsidiary) of any Collateral that is permitted under any Loan Document, or upon the effectiveness of any written consent to the release of the security interest granted hereby in any Collateral pursuant to Section 9.02 of the Credit Agreement, the security interest in such Collateral shall be automatically released.

(d) In connection with any termination or release pursuant to clause (a), (b) or (c) of this Section 7.13, the Administrative Agent shall execute and deliver to any Grantor, at such Grantor's expense, all documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.13 shall be without recourse to or warranty by the Administrative Agent.

SECTION 7.14. *Additional Subsidiaries*. Each Domestic Subsidiary of a Loan Party that is not a Foreign Subsidiary that was not in existence or not such a Subsidiary on the date of the Credit Agreement is required to enter in this Agreement as a Subsidiary Loan Party in accordance with Section 5.11 of the Credit Agreement. Upon execution and delivery by the Administrative Agent and a Subsidiary of a Guarantee and Collateral Agreement Supplement, such Subsidiary shall become a Subsidiary Loan Party hereunder with the same force and effect as if originally named as a Subsidiary Loan Party herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.15. *Administrative Agent Appointed Attorney-in-Fact*. Each Grantor hereby appoints the Administrative Agent the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Administrative Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Administrative Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Administrative Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral; (d) to send verifications of Accounts Receivable to any Account Debtor; (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all

or any of the Collateral; (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Administrative Agent; and (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Administrative Agent were the absolute owner of the Collateral for all purposes, provided that nothing herein contained shall be construed as requiring or obligating the Administrative Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Administrative Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Administrative Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or wilful misconduct (as determined by a court of competent jurisdiction by final and non-appealed judgment).

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CCE SPINCO, INC.,

by

/s/ Michael Rapino

Name: Michael Rapino
Title: Chief Executive Officer

SFX ENTERTAINMENT, INC.,

by /s/ Michael Rapino
Name: Michael Rapino
Title: Chief Executive Officer

EACH OF THE SUBSIDIARIES
LISTED ON SCHEDULE I HERETO,

by /s/ Michael Rapino
Name: Michael Rapino
Title: Chief Executive Officer

JPMORGAN CHASE BANK, N.A., AS
ADMINISTRATIVE AGENT,

by /s/ Thomas H. Kozlark

Name: Thomas H. Kozlark
Title: Vice President

Exhibit 10.13

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS SFX Entertainment, Inc. d/b/a Clear Channel Entertainment (hereinafter referred to as "Company") and Kathy Willard (hereinafter referred to as "Employee") entered into an Employment Agreement, (hereinafter "Agreement") effective January 1, 2005;

WHEREAS, the parties desire to amend the above-referenced Agreement effective September 30, 2005;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties enter into this First Amendment.

1. Section 1 of the Agreement is hereby deleted in its entirety and replaced as follows:

1. TERM OF EMPLOYMENT.

The Employee's Term of Employment is effective January 1, 2005, the "Effective Date" and ends on the close of business on December 31, 2007 (the "Employment Period" or "Term of Employment"). However, beginning on December 31, 2007, the Employment Period shall be automatically extended from day to day for twelve months, so that commencing on January 1, 2008 and continuing for so long thereafter as Employee is employed hereunder, there will always be exactly one year remaining in the Term of Employment hereunder, until either party terminates in accordance with Section 7. The term "Employment Period" or Term of Employment shall refer to the Employment Period if and as so extended. Upon the closing of the proposed spin-off of the Entertainment business from Clear Channel Communications, Inc., as announced on April 29, 2005, this Agreement shall automatically be assigned by Company to, and assumed by CCE Spinco, Inc. (or other name as such entity may assume, and referred herein as "CCE Spinco"), the parent entity for the newly independent, publicly traded company.

2. Section 2 of the Agreement is hereby deleted in its entirety and replaced as follows:

2. TITLE AND DUTIES.

The Employee's title is Executive Vice President and Chief Accounting Officer. The Employee will perform job duties that are usual and customary for this position, and will perform additional services and duties that the Company may from time to time designate that are consistent with the usual and customary duties of this position. Employee shall be based in Houston, Texas, The Employee will report to the Chief Financial Officer or his/her designee. The Employee will devote her full working time and efforts to the business and affairs of Company.

3. Section 3(b) “Performance Bonus” is hereby deleted in its entirety and replaced as follows:

(b) Performance Bonus. Employee will be eligible to receive a performance bonus as set forth in the Performance Bonus Calculation attached as “Exhibit A” to the Agreement. Employee’s Target Bonus is $90,000.00. For 2005 only, Employee shall receive a guaranteed minimum performance bonus in the amount of $50,000.00, payable within 90 days of the end of the calendar year. The Company reserves the right to modify the Performance Bonus Plan due to business circumstances such as business acquisition, business sale, accounting or non-operational circumstances.

4. Section 7 of the Agreement is amended to add the following subsection 7(d):

(d) Termination by Employee For Good Reason. Employee may terminate this Agreement at any time for “Good Reason,” which is defined as one of the following: (i) a repeated failure of the Company to comply with a material term of this Agreement after written notice by the Employee specifying the alleged failure; or (ii) a substantial and unusual change in Employee’s position, duties, responsibilities, and authority without an offer of additional reasonable compensation as determined by Company in light of compensation levels for similarly situated employees; (iii) a substantial and unusual reduction in Employee’s duties, responsibilities and authority; or (iv) a relocation of her job duties from Houston, Texas. If Employee elects to terminate for Good Reason under (i), (ii), (iii) or (iv), Company shall have thirty (30) days after written notice in which to cure.

5. Section 8(c) of the Agreement is deleted in its entirety and replaced as follows:

(c) Termination by the Company For Cause. If the Employee’s employment with the Company is terminated by the Company for Cause, the Company will, within 90 days, pay in a lump sum amount to the Employee her accrued and unpaid base salary and any payments to which she may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

6. Section 8 of the Agreement is amended to add the following subsection 8(e):

(e) Termination by Employee for Good Reason. If the Employee’s employment with the Company is terminated by Employee for Good Reason, the Company will, within 90 days, pay in a lump sum amount to the Employee her accrued and unpaid base salary, prorated bonus, if any (See Exhibit A), unreimbursed expenses, and any payments to which she may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies). In addition, if the Employee signs a general release of claims in a form and manner satisfactory to the Company, the Company will, within 90 days, pay to the Employee severance pay in a lump sum amount equal to twelve (12) months of the Employee’s annual base salary, less applicable deductions, in accordance with ordinary payroll practices.

7. Section 8(e) of the Agreement is deleted in its entirety and replaced as follows:

   (f) Effect Of Compliance With Compensation Upon Termination Provisions. Upon complying with Subparagraphs 8(a) through 8(e) above, as applicable, the Company will have no further obligations to the Employee except as otherwise expressly provided under this Agreement, provided that such compliance will not adversely affect or alter the Employee's rights under any employee benefit plan of the Company in which the Employee has a vested interest, unless, otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

8. This First Amendment represents the complete and total understanding of the parties with respect to the content thereof, and cannot be modified or altered except if done so in writing, executed by both parties.

9. This First Amendment shall in no way modify, alter, change or otherwise delete any provision of the Agreement unless specifically done so by the terms of this First Amendment, and all the remaining provisions of the Agreement shall remain in full force and effect.

AGREED:

Employee: /s/ Kathy Willard **Date: 11/29/05**
KATHY WILLARD

Company: /s/ Alan Ridgeway **Date: 12/1/05**
ALAN RIDGEWAY
Chief Financial Officer

SFX ENTERTAINMENT, INC.,
D/B/A CLEAR CHANNEL ENTERTAINMENT

EMPLOYMENT AGREEMENT

This Employment Agreement is entered into this 22nd day of December 2004 effective the 1st day of January, 2005, between SFX Entertainment, Inc., d/b/a Clear Channel Entertainment (the "Company") and Kathy Willard (the "Employee").

WHEREAS, the Company and the Employee desire to enter into an employment relationship under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which hereby acknowledged, the parties agree as follows:

1. TERM OF EMPLOYMENT.

The Employee's term of employment starts on the effective date of this Agreement and ends on the close of business on December 31,2007.

2. TITLE AND DUTIES.

The Employee's title is Chief Financial Officer. The Employee will perform job duties that are usual and customary for this position, including but not limited to, overseeing and responsibility for worldwide finance, accounting, forecasting, budgeting and audit oversight for all divisions within Company; managing, direction, staffing and supervising subordinate staff, providing reports, trend analysis and performing additional services and duties that the Company may from time to time designate that are consistent with the usual and customary duties of this position. The Employee will report to Company's CEO and/or his Designee. The Employee will devote her full working time and efforts to the business and affairs *of* Company.

3. COMPENSATION AND BENEFITS

(a) Base Salary. The Company will pay the Employee an annual base salary of $300,000.00. The Employee will be eligible for annual raises commensurate with company policy. All payments of base salary will be made in installments according to the Company's regular payroll practice, prorated monthly or weekly where appropriate, and subject to any increases that are determined to be appropriate by the Board or its Compensation Committee.

(b) Performance Bonus. Employee will be eligible to receive a performance bonus as set forth in the Performance Bonus Calculation attached as "Exhibit A" to this Employment Agreement. Employee's Target Bonus is $90,000.00. The Company reserves the right to modify the Performance Bonus Plan due to business circumstances such as business acquisition, business sale, accounting or non-operational circumstances.

(c) Employment Benefit Plans. The Employee will be entitled to participate in all pension, profit sharing, and other retirement plans, all incentive compensation plans, and all group health, hospitalization and disability or other insurance plans, paid vacation, sick leave and other employee welfare benefit plans in which other similarly situated employees of the Company may participate as stated in the employee guide.

(d) Vacation. Employee shall be eligible for twenty (20) paid vacation days annually, to be awarded and taken in accordance with Company policy, as amended from time to time.

(e) Expenses. The Company will pay or reimburse the Employee for all normal and reasonable travel and entertainment expenses incurred by the Employee in connection with the Employee's responsibilities to the Company upon submission of proper vouchers in accordance with the Company's expense reimbursement policy. The company will provide the Employee with access to a credit card, subject to the approval of the credit card company and based on the Employee's credit history, and which should only be used for business purposes. Payment is the responsibility of the Employee.

(f) Stock Options. Any future stock option grants will be granted based upon the performance of the Employee, which will be assessed in the sole discretion of the Company and the Compensation Committee of the Board. All option grants shall be made under the terms and conditions set forth in the applicable Clear Channel Communications Stock Option Plan under which they are issued. The Company reserves the right to modify any future Company stock option plan with respect to the change of control or any other provision of said plan. The Company's obligations under this agreement to the Employee in the area of stock options are conditioned upon and subject to the Company's decision, in its sole discretion, to; 1) alter, suspend or discontinue its stock option grant program; or 2) replace the program with an alternative form or method of compensation.

4. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

During the course of the Employee's employment with the Company, the Company will provide the Employee with access to certain confidential information, trade secrets, and other matters which are of a confidential or proprietary nature, including but not limited to the Company's customer lists, pricing information, production and cost data, compensation and fee information, strategic business plans, budgets, financial statements, and other information the Company treats as confidential or proprietary (collectively the "Confidential Information"). The Company provides on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid the Employee in the performance of her duties. The Employee understands and acknowledges that such Confidential Information is confidential and proprietary, and agrees not to disclose such Confidential Information to anyone outside the Company except to the extent that (i) the Employee deems such disclosure or use reasonably necessary or appropriate in connection with performing her duties on behalf of the Company; (ii) the Employee is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, the Employee shall promptly inform the Company of such event, shall cooperate with the Company in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; or (iii) such Confidential Information becomes generally known to and available for use in the industries in which the Company does business, other than as a result of any action or inaction by the Employee. The Employee further agrees that she will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company. At such time as the Employee shall cease to be employed by the Company, she will immediately turn over to the Company all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of them, provided to or created by her during the course of her employment with the

Company. This nondisclosure covenant is binding on the Employee, as well as her heirs, successors, and legal representatives, and will survive the termination of this Agreement for any reason.

5. NONHIRE OF COMPANY EMPLOYEES.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee's employment with the Company and for a period of 12 months' thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, (i) hire any current or prospective employee of the Company, or any subsidiary or affiliate of the Company (including, without limitation, any current or prospective employee of the Company within the 6-month period preceding the Employee's last day of employment with the Company or within the 12-month period of this covenant) who worked, works, or has been offered employment by the Company; (ii) solicit or encourage any such employee to terminate their employment with the Company, or any subsidiary or affiliate of the Company; or (iii) solicit or encourage any such employee to accept employment with any business, operation, corporation, partnership, association, agency, or other person or entity with which the Employee may be associated. If, during the term of this non-hire covenant, the Employee learns that any such employee has accepted employment with any business, operation, corporation, partnership, association, agency, or other person or entity with which the Employee may be associated (other than the Company), the Employee will immediately send notice to the Company identifying the employee and certifying that the Employee did not breach any provision of this non-hire covenant.

6. NON-COMPETITION.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the Employee's employment with the Company and for a period of one year thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is in the same business as the Company in any location in which the Company, or any subsidiary or affiliate of the Company, operates or has plans or has projected to operate during the Employee's employment with the Company, including any area within a 50-mile radius of any such location. The foregoing shall not prohibit the Employee from owning up to 5.0% of the outstanding stock of any publicly held company. Notwithstanding the foregoing, after the Employee's employment with the Company has terminated, upon receiving written permission by the Board, the Employee shall be permitted to engage in such competing activities that would otherwise be prohibited by this covenant if such activities are determined in the sole discretion of the Board in good faith to be immaterial to the operations of the Company, or any subsidiary or affiliate of the Company, in the location in question.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee's employment with the Company and for a period of one year thereafter, regardless of the reason for termination of employment, the Employee will not,

directly or indirectly, either for herself or for any other business, operation, corporation, partnership, association, agency, or other person or entity, call upon, compete for, solicit, divert or take away, or attempt to divert or take away current or prospective customers (including without limitation, any customer with whom the Company, or any subsidiary or affiliate of the Company, (i) has an existing agreement or business relationship; (ii) has had an agreement or business relationship within the six-month period preceding the Employee's last day of employment with the Company; or (iii) has included as a prospect in its applicable pipeline) of the Company, or any subsidiary or affiliate of the Company.

The Company and the Employee agree that the restrictions contained in this noncompetition covenant are reasonable in scope and duration and are necessary to protect the Company's business interests and Confidential Information. If any provision of this noncompetition covenant as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the scope, duration, or geographic area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the scope and/or duration and/or geographic area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The parties agree and acknowledge that the breach of this noncompetition covenant will cause irreparable damage to the Company, and upon breach of any provision of this noncompetition covenant, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief; provided, however, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages).

Should the Employee violate the provisions of this noncompetition covenant, then in, addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which the Employee began such violation until she permanently ceases such violation.

7. TERMINATION.

The Employee's employment with the Company may be terminated under the following circumstances:

(a) Death. The Employee's employment with the Company shall terminate upon her death.

(b) Disability. The Company may terminate the Employee's employment with the Company if, as a result of the Employee's incapacity due to physical or mental illness, the Employee is unable to perform her duties under this Agreement on a full-time basis for more than 90 days in any 12 month period, as determined by the Company.

(c) Termination By The Company. The Company may terminate the Employee, & employment with the Company for any reason at any time. The Company may also terminate her employment for Cause. A termination for Cause must be for one or more of the following reasons: (i) conduct by the Employee constituting a material act of willful misconduct in, connection with the performance of her duties, including, without limitation, violation of the

Company's policy on sexual harassment, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes, or other willful misconduct as determined in the sole discretion of the Company; (ii) continued, willful and deliberate non-performance by the Employee of her duties hereunder (other than by reason of the Employee's physical or mental illness, incapacity or disability) where such non-performance has continued for more than 10 days following written notice of such non-performance; (iii) the Employee's refusal or failure to follow lawful directives where such refusal or failure has continued for more than 30 days following written notice of such refusal or failure; (iv) a criminal or civil conviction of the Employee, a plea of nolo contendere by the Employee, or other conduct by the Employee that, as determined in the sole discretion of the Board, has resulted in, or would result in if she were retained in her position with the Company, material injury to the reputation of the Company, including, without limitation, conviction of fraud, theft, embezzlement, or a crime involving moral turpitude; (v) a breach by the Employee of any of the provisions of this Agreement; or (vi) a violation by the Employee of the Company's employment policies.

8. COMPENSATION UPON TERMINATION.

(a) Death. If the Employee's employment with the Company terminates by reason of her death, the Company will, within 90 days, pay in a lump sum amount to such person as the Employee shall designate in a notice filed with the Company or, if no such person is designated, to the Employee's estate, the Employee's accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which the Employee's spouse, beneficiaries, or estate may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(b) Disability. If the Employee's employment with the Company terminates by reason of her disability, the Company shall, within 90 days, pay in a lump sum amount to the Employee her accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which she may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(c) Termination By The Company For Cause Or Termination By The Employee. If the Employee's employment with the Company is terminated by the Company for Cause or if the Employee terminates her employment with the Company, the Company will, within 90 days, pay in a lump sum amount to the Employee her accrued and unpaid base salary and any payments to which she may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(d) Termination By The Company Without Cause. If the Employee's employment with the Company is terminated by the Company without Cause, the Company will, within 90 days, pay in a lump sum amount to the Employee her accrued and unpaid base salary and prorated bonus, if any *(See* Exhibit A), and any payments to which she may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies). In addition, if the Employee signs a general release of claims in a form and manner satisfactory to the Company, the Company will, within 90 days, pay to the Employee a lump sum amount equal to twelve (12) months of the Employee's annual base salary.

(e) Effect Of Compliance With Compensation Upon Termination Provisions. Upon complying with Subparagraphs 8(a) through 8(d) above, as applicable, the Company will have no further obligations to the Employee except as otherwise expressly provided under this Agreement, provided that such compliance will not adversely affect or alter the Employee's rights under any employee benefit plan of the Company in which the Employee has a vested interest, unless, otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

9. PARTIES BENEFITED; ASSIGNMENTS.

This Agreement shall be binding upon the Employee, her heirs and her personal representative or representatives, and upon the Company and its respective successors and assigns. Neither this Agreement nor any rights or obligations hereunder may be assigned by the Employee, other than by will or by the laws of descent and distribution.

10. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice of law or conflict provisions or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Texas and the Employee hereby expressly consents to the personal jurisdiction of the state and federal courts located in the State of Texas for any lawsuit arising from or relating to this Agreement.

11. DEFINITION OF COMPANY.

As used in this Agreement the term "Company" shall include SFX Entertainment, Inc., d/b/a Clear Channel Entertainment and any of its past, present and future divisions, operating companies, subsidiaries and affiliates.

12. LITIGATION AND REGULATORY COOPERATION.

During and after the Employee's employment, the Employee shall reasonably cooperate with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Employee was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect the Employee or expose the Employee to an increased probability of civil or criminal litigation. The Employee's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Employee's employment, the Employee also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Employee was employed by the Company. The Company will pay the Employee on an hourly basis (to be derived from her base salary) for requested litigation and regulatory cooperation that occurs after her termination of employment, and reimburse the Employee for all costs and expenses incurred in connection with her performance under this paragraph, including, but not limited to, reasonable attorneys' fees and costs.

13. INDEMNIFICATION AND INSURANCE; LEGAL EXPENSES.

The Company shall indemnify the Employee to the fullest extent permitted by law, in effect at the time of the subject act or omission, and shall advance to the Employee reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Employee to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Employee was not entitled to the reimbursement of such fees and expenses), and the Employee will be entitled to the protection of any insurance policies that the Company may elect to maintain generally for the benefit of its directors and officers against all costs, charges and expenses incurred or sustained by her in connection with any action, suit or proceeding to which she may be made a party by reason of her being or having been a director, officer or employee of the Company or any of its subsidiaries, or her serving or having served any other enterprise as a director, officer or employee at the request of the Company (other than any dispute, claim or controversy arising under or relating to this Agreement). The Company covenants to maintain during the Employee's employment for the benefit of the Employee (in her capacity as an officer and director of the Company) Directors and Officers Insurance providing benefits to the Employee no less favorable, taken as a whole, than the benefits provided to the other similarly situated employees of the Company by the Directors and Officers Insurance maintained by the Company on the date hereof; provided, however, that the Board may elect to terminate Directors and Officers Insurance for all officers and directors, including the Employee, if the Board determines in good faith that such insurance is not available or is available only at unreasonable expense. However, if it is determined that Employee is not eligible for coverage under any Company insurance policy, Employee will nevertheless be entitled to indemnification to the fullest extend permitted by law.

14. ARBITRATION.

The parties agree that any dispute, controversy or claim, whether based on contract, tort statute, discrimination, retaliation, or otherwise, relating to, arising from or connected in any manner to this Agreement, or to the alleged breach of this Agreement, or arising out of or relating to Employee's employment or termination of employment, shall, upon timely written request of either party be submitted to and resolved by binding arbitration. The arbitration shall be conducted in San Antonio, Texas. The arbitration shall proceed in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association ("AAA") in effect at the time the claim or dispute arose, unless other rules are agreed upon the parties. Unless otherwise agreed to by the parties in writing, the arbitration shall be conducted by one arbitrator who is a member of the AAA and who is selected pursuant to the methods set out in the National Rules for Resolution of Employment Disputes of the AAA. Any claims received after the applicable/relevant statute of limitations period has passed shall be deemed null and void. The award of the arbitrator shall be a reasoned award with of findings of fact and conclusions of law. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, to enforce an arbitration award, and to vacate an arbitration award. However, in actions seeking to vacate an award, the standard of review to be applied by said court to the arbitrator's findings of fact and conclusions of law will be the same as that applied by an appellate court reviewing a decision of a trial court sitting without a jury. The Company will pay the actual costs of arbitration excluding attorney's fees. Each party will pay its own attorneys fees and other costs incurred by their respective attorneys.

15. REPRESENTATIONS AND WARRANTIES OF THE EMPLOYEE.

The Employee represents and warrants to the Company that she is under no contractual or other restriction which is inconsistent with the execution of this Agreement, the performance of her duties hereunder or the other rights of Company hereunder. The Employee also represents and warrants to the Company that she is under no physical or mental disability that would hinder the performance of her duties under this Agreement.

16. MISCELLANEOUS.

This Agreement contains the entire agreement of the parties relating to the subject matte hereof. This Agreement supersedes any prior written or oral agreements or understandings between the parties relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the parties hereto. The failure of a parry to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later time to enforce any provision of this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such invalidity and unenforceability shall not affect the remaining provisions hereof or the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

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

EMPLOYEE:

DATE:12/22/2004 /s/ Kathy Willard

KATHY WILLARD

SFX ENTERTAINMENT, INC.,
D/B/A CLEAR CHANNEL ENTERTAINMENT

DATE: 1-20-05 BY: /s/ Mike McGee

MIKE McGEE
Chief Administrative Officer

Exhibit 99.1

CCE Spinco, Inc. Completes Spin-Off from Clear Channel Communications

LOS ANGELES, December 21, 2005 (NYSE: LYV) — Today CCE Spinco, Inc. completed its announced spin-off from Clear Channel Communications, Inc. (NYSE: CCU) through a distribution of one share of CCE Spinco, Inc. stock for every eight shares of Clear Channel Communications stock held by Clear Channel Communications shareholders on the December 14, 2005 record date. Clear Channel Communications shareholders will receive cash in lieu of any fractional shares of CCE Spinco, Inc. common stock resulting from the distribution. CCE Spinco, Inc. expects that shares of its common stock will begin trading on the New York Stock Exchange under the symbol "LYV" on December 22, 2005.

As of December 21, 2005, the newly independent company will be known as Live Nation.

Investor inquires should be directed to:

John Buckley — buckley@braincomm.com
Jonathan Lesko — lesko@braincomm.com
Brainerd Communicators
212-986-6667

Forward Looking Statements

This press release contains "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as "may," "should," "could," "expects," "seeks to," "anticipates," "plans," "believes," "estimates," "intends," "predicts," "projects," "potential" or "continue" or the negative of such terms and other comparable terminology. These statements are only predictions. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors that may cause the company or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements. For further details and a discussion of these and other risks and uncertainties, please see the company's information statement, a part of its registration statement on Form 10, dated December 9, 2005, which is filed with the Securities and Exchange Commission on December 12, 2005. You are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this press release. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in its expectations with regard thereto, or any other change in events, conditions or circumstances on which any statement is based.

Exhibit 99.2

Live Nation Board Authorizes Repurchase Plan

Los Angeles, California — December 22, 2005 — Live Nation (NYSE: LYV) announced today that its Board of Directors authorized a $150 million share repurchase program effective immediately. The repurchase program is authorized through December 31, 2006.

Live Nation will base its decisions on amounts of repurchases and their timing on such factors as the stock price, general economic and market conditions and the Company's debt levels. The repurchase program may be suspended or discontinued at any time. Shares of stock repurchased under the plan will be held as treasury shares.

About Live Nation

Live Nation is one of the world's largest diversified promoters and producers of, and venue operators for, live entertainment events. Live Nation is the name under which CCE Spinco, Inc. is conducting business.

For further information contact John Buckley of Brainerd Communications at (212) 986-6667.

Certain statements in this release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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