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August 27, 2013

**VIA CERTIFIED MAIL & ELECTRONIC E-MAIL ([fboshell@caracoltv.com.co](mailto:fboshell@caracoltv.com.co))**

Mr. Felipe Boshell  
General Manager  
Caracol Television S.A.  
Calle 103, #69B-43  
Bogotá D.C.  
Colombia

**Re: El Señor de Los Cielos Sequel**

Dear Mr. Boshell,

This offer letter is being provided to you pursuant to Section 5(b) of the Co-Production Agreement dated as of October 25, 2012, as amended on March 11, 2013 (collectively, the "Agreement") between Telemundo Television Studios, LLC ("TTS") and Caracol Television, S.A. ("Caracol"). We are pleased to confirm the offer by TTS to produce a sequel of the telenovela "El Señor de los Cielos" (the "Series") as communicated to you via e-mail on June 18, 2013, and consistent with the provisions more fully described in the Term Sheet (the "Term Sheet") attached hereto as Annex A. All capitalized terms used but not defined herein shall have the meaning ascribed to such term in the Agreement.

By executing this Offer Letter, you hereby agree that this Term Sheet constitutes a binding agreement with respect to the transactions contemplated herein and acknowledge that Caracol has agreed to the terms and conditions of the Term Sheet which will be incorporated into subsequent long-form agreement(s), including a License Agreement between Caracol and TTS.

This Offer Letter, including the Term Sheet, shall be in all respects governed by and construed in accordance with the laws of the State of Florida. All claims arising out of or relating to the Offer Letter shall be litigated exclusively in the federal or state courts of Miami Dade, Florida, and each party consents to personal jurisdiction in those courts. No amendment, modification or discharge of this Agreement, and no waiver hereunder shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. No delay or failure at any time on the part of any party in exercising any right, power or privilege under this Offer Letter, or in enforcing any provision of the Term Sheet, shall impair any such right, power or privilege, or be construed as a waiver of such provision, or be construed as a waiver of



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any default or acquiescence therein, or shall affect the right of such party thereafter to enforce each and every provision of this Offer Letter in accordance with its terms.

Should you have any questions, as always, please feel free to contact me.

Sincerely,

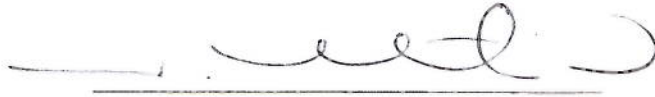
TELEMUNDO TELEVISION STUDIOS, LLC

  
JAVIER MAYNULET  
SVP & CHIEF FINANCIAL OFFICER



**ACCEPTED AND AGREED:**

CARACOL TELEVISION S.A.

  
\_\_\_\_\_

cc: Mr. Marcos Santana ([Marcos.Santana@nbcuni.com](mailto:Marcos.Santana@nbcuni.com))  
Mr. Joshua Mintz ([Joshua.Mintz@nbcuni.com](mailto:Joshua.Mintz@nbcuni.com))



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**Annex A**

**TERM SHEET**

1. <u>Parties:</u>	a. Caracol Televisión S.A. (“Caracol”) b. Telemundo Television Studios, LLC (“TTS”) c. Telemundo Internacional, LLC (“TI”)
2. <u>Date:</u>	As of August 27, 2013
3. <u>Sequel:</u>	a. TTS will develop, produce, own, and distribute a sequel to the “El Señor de los Cielos” (the “Series”) for the exhibition and exploitation in the United States, its territories, as well as throughout the world (the “Sequel”).  b. The Sequel will be based on the original format of the Series, which TTS shall have all right to use all elements (e.g., characters, story, scenarios, locales, etc.) derived from the Series and any new elements added by TTS for purposes of creating the Sequel. For clarity, TTS will not be entitled to use images and content licensed by Caracol for the Series, except as agreed mutually by the Parties in a case-by-case scenario.
4. <u>Number of Episodes:</u> <u>Length:</u>	The Sequel shall consist of approximately sixty (60) episodes of approximately forty-two (42) minutes in length.
5. <u>Production:</u>	TTS shall have the exclusive right to produce and exploit the Sequel, which Caracol shall have certain exhibition rights as granted herein.
6. <u>Development &amp; Control of the Sequel:</u>	TTS shall have exclusive creative decisions, development of budgets and casting, among other matters in the development and production of the Sequel.
7. <u>Ownership:</u>	From inception through all stages of completion, the Sequel and all elements thereof, including the underlying works, format and scripts of the Series, will be exclusively owned by TTS throughout the world.  TTS will own and control all exclusive, irrevocable and perpetual right, title and interest (including copyright), throughout the universe in and to the Sequel and all derivatives of the Sequel, and all elements, underlying works or portions thereof, including all raw footage, from the inception of production, in any and all media and formats, now known or hereafter devised, in perpetuity, including without limitation all literary, dramatic, or other material contained



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	therein, and the results and proceeds of the services in connection therewith.
8. <u>Reserved Rights:</u>	All and any rights not granted expressly herein to Caracol shall be expressly reserved by TTS.
9. <u>License:</u>	During the Term, TTS grants to Caracol a limited exclusive license to exhibit the Series in Colombia, and the name, logos and related trademarks in connection with the Sequel and promotion thereof.
10. <u>Caracol Exhibition License:</u>	<p>a) <u>Territory:</u> Colombia (the "Territory").</p> <p>b) <u>Term:</u> Caracol shall have the right to run the Sequel as specified herein for a period of three (3) years in the Territory free of any license fee payment due to TTS.</p> <p>c) <u>Runs:</u> Three (3) runs. Caracol will pay any applicable re-run, residual or other re-use or transmission payments (including any applicable payments related to the employment of non-union actors or the "buy-out" of applicable residuals as may be required for the use of the Sequel in Colombia). If, after the expiration of the exhibition term, Caracol is interested in additional exhibitions of the Sequel in the Territory, Caracol and Telemundo will negotiate in good faith the applicable terms thereof.</p> <p>d) <u>Exclusive Media:</u> Caracol shall have the exclusive exhibition license to the Sequel over free-tv over-the-air broadcast in the Territory.</p> <p>e) <u>Non-exclusive Media:</u> Caracol shall have the non-exclusive exhibition license to the Sequel over pay-tv in the Territory.</p> <p>f) <u>Excluded Media:</u> All digital platforms, including SVOD, download to own, electronic sell through, home entertainment and any allied and ancillary rights related to the Sequel ("Ancillary Rights"). Notwithstanding the foregoing, TTS shall grant (i) a catch-up period of one week to air the Sequel on Caracol's digital internet channel and (ii) a non-exclusive license to Caracol for SVOD on its current SVOD platform, provided such rights are available after production of the Sequel.</p> <p>g) <u>Authorized Language:</u> Spanish language only.</p> <p>h) <u>Sublicensing:</u> Caracol may not sublicense the exhibition rights granted by TTS to any third party.</p>

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<p>11. <u>Caracol International Profit Participation:</u></p>	<p>TTS shall pay Caracol a foreign participation equal to 15% of 100% of Foreign Net Sales (as defined below) after recoupment of the Production Budget. TI shall provide Caracol with a participation statement with respect payments due to Caracol on a quarterly basis (no later than 30 days following each such quarter).</p> <p><b>“Foreign Net Sales”</b> shall mean all gross amounts actually received by and/or credited to TI in connection with the exploitation of the Sequel throughout the Participation Territory, <i>less</i> only (i) the Distribution Fee (as defined below), (ii) TTS’s actual, out-of-pocket third party costs and expenses in connection with the exploitation of the Sequel throughout the Participation Territory, and (iii) any third party participation attributable to the exploitation of the Sequel throughout the Participation Territory.</p> <p><b>“Distribution Fee”</b> means a 25% distributor fee, <i>less</i> distribution fees and expenses, marketing, advertising and promotional expenses, and any applicable taxes.</p> <p><b>“Excluded Territory”</b> means the exploitation of the Sequel throughout the United States, its possessions and territories and the Telemundo and Telemundo Internacional branded and/or affiliated channels throughout the world, including Mun2. Notwithstanding the foregoing, Mexico shall not be considered an Excluded Territory.</p> <p><b>“Participation Territory”</b> means on a worldwide basis excluding the Excluded Territory.</p> <p><b>“Production Budget”</b> means all costs and expenses associated with the below-the-line and above-the-line production and delivery elements associated, directly or indirectly, with the Sequel.</p>
<p>12. <u>Governing Law:</u></p>	<p>This Term Sheet shall be in all respects governed by and construed in accordance with the laws of the State of Florida.</p>
<p>13. <u>Confidentiality:</u></p>	<p>Any information supplied by either party to the other shall be deemed proprietary and shall be treated as strictly confidential by the receiving party. Except as may be required by law or pursuant to subpoena or order of any judicial, legislative, executive, regulatory or administrative body, the receiving party shall not copy or disclose such information to a third party, except as is necessary to implement this Term Sheet or as may be approved in writing by the other party, or as may be in the public domain through no fault of the receiving party.</p>