

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

|   |                                 |  |
|---|---------------------------------|--|
| In re:<br><br>IHEARTMEDIA, INC., <i>et al.</i> , <sup>1</sup><br><br><div style="text-align: right;">Debtors.</div> | §<br>§<br>§<br>§<br>§<br>§<br>§ | Chapter 11<br><br>Case No. 18-31274 (MI)<br><br>(Jointly Administered) |
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**DISCLOSURE STATEMENT SUPPLEMENT  
RELATING TO THE FIFTH AMENDED JOINT  
CHAPTER 11 PLAN OF REORGANIZATION OF IHEARTMEDIA, INC. AND ITS  
DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

THE DEBTORS ARE SENDING YOU THIS DOCUMENT (THE “DISCLOSURE STATEMENT SUPPLEMENT”) AS A SUPPLEMENT TO THE *DISCLOSURE STATEMENT RELATING TO THE FOURTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF IHEARTMEDIA, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE* [DOCKET NO. 1484] (THE “DISCLOSURE STATEMENT”) BECAUSE YOU ARE A CREDITOR THAT IS ENTITLED TO VOTE TO ACCEPT OR REJECT THE *DEBTORS’ FIFTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF IHEARTMEDIA, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE* (AS MAY BE AMENDED OR MODIFIED FROM TIME TO TIME AND WITH ALL EXHIBITS AND SUPPLEMENTS THERETO, THE “FIFTH AMENDED PLAN”), FILED ON OCTOBER 10, 2018, WHICH HAS BEEN AMENDED WITH REGARD TO, AMONG OTHER THINGS, THE TREATMENT OF CERTAIN CLAIMS UNDER THE *FOURTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF IHEARTMEDIA, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE* [DOCKET NO. 1469] (THE “FOURTH AMENDED PLAN”).<sup>2</sup>

PURSUANT TO THE TERMS OF THE ORDER APPROVING THE DISCLOSURE STATEMENT AND RELATED SOLICITATION PROCEDURES [DOCKET NO. 1481] (THE “DISCLOSURE STATEMENT ORDER”), THE DEBTORS COMMENCED SOLICITING VOTES TO APPROVE THE FOURTH AMENDED PLAN ON SEPTEMBER 28, 2018. THIS DISCLOSURE STATEMENT SUPPLEMENT SUMMARIZES, AMONG OTHER THINGS, CERTAIN MODIFICATIONS TO THE FOURTH AMENDED PLAN. THE STATEMENTS CONTAINED HEREIN DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE FIFTH AMENDED PLAN OR DOCUMENTS REFERRED TO THEREIN,

<sup>1</sup> Due to the large number of Debtors in these chapter 11 cases, for which joint administration has been granted, a complete list of the Debtors and the last four digits of their tax identification, registration, or like numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims, noticing, and solicitation agent at <https://cases.primeclerk.com/iheartmedia>. The location of Debtor iHeartMedia, Inc.’s principal place of business and the Debtors’ service address is: 20880 Stone Oak Parkway, San Antonio, Texas 78258.

<sup>2</sup> All capitalized terms used but not otherwise defined in this Disclosure Statement Supplement shall have the meaning ascribed to them in the Fifth Amended Plan or the Disclosure Statement, as applicable.

AND REFERENCE IS MADE TO THE FIFTH AMENDED PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS.

THE CONTENTS OF THIS DISCLOSURE STATEMENT SUPPLEMENT MAY NOT BE DEEMED AS PROVIDING ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE. THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THE DISCLOSURE STATEMENT, THIS DISCLOSURE STATEMENT SUPPLEMENT, THE FIFTH AMENDED PLAN, AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THE DISCLOSURE STATEMENT AND THIS DISCLOSURE STATEMENT SUPPLEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE FIFTH AMENDED PLAN.

MOREOVER, NEITHER THE DISCLOSURE STATEMENT NOR THIS DISCLOSURE STATEMENT SUPPLEMENT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER.

THE DEBTORS HAVE NOT AUTHORIZED ANY PARTY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE FIFTH AMENDED PLAN OTHER THAN THAT WHICH IS CONTAINED IN THE DISCLOSURE STATEMENT AND THIS DISCLOSURE STATEMENT SUPPLEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT AND THIS DISCLOSURE STATEMENT SUPPLEMENT. CLAIMANTS AND INTEREST HOLDERS SHOULD NOT RELY UPON ANY INFORMATION, REPRESENTATIONS, OR OTHER INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OF THE FIFTH AMENDED PLAN THAT ARE OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED HEREIN, IN THE FIFTH AMENDED PLAN, AND IN THE DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT SUPPLEMENT CONTAINS A SUMMARY OF CERTAIN EVENTS IN THE DEBTORS' CHAPTER 11 CASES AND EVENTS PRECEDING THE DEBTORS' FILING OF THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH EVERY DETAIL OF SUCH EVENTS. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT SUPPLEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

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**ARTICLE I**  
**SUPPLEMENTAL DISCLOSURE OF EVENTS IN THE CHAPTER 11 CASES**

**A. The Committee Plan Settlement and the Fifth Amended Plan**

Subsequent to the Bankruptcy Court entering the Disclosure Statement Order on September 20, 2018, the Debtors commenced solicitation of votes for the Fourth Amended Plan on September 28, 2018. Notwithstanding the Bankruptcy Court's entry of the Disclosure Statement Order and commencement of solicitation, the Debtors and several of their key stakeholders, including the Committee, continued to negotiate a consensual resolution regarding the treatment of General Unsecured Claims set forth in the Fourth Amended Plan. On October 10, 2018, following extensive, arm's-length negotiations, an agreement with respect to the treatment of General Unsecured Claims was reached among the Debtors, the Committee, the Required Consenting Senior Creditors under the Restructuring Support Agreement, and the Consenting Sponsors (the "Committee Plan Settlement"). **As a result of the Committee Plan Settlement, the Committee fully supports Confirmation of the Fifth Amended Plan and the release provisions provided therein and will recommend that Holders of General Unsecured Claims vote to accept the Fifth Amended Plan and not opt out of the releases contained therein.**

A summary of the terms of the Committee Plan Settlement is set forth below, which terms have been incorporated into the Fifth Amended Plan:

- Each Holder of an Allowed Guarantor General Unsecured Claim (*i.e.*, any Allowed General Unsecured Claim against a Guarantor Debtor that is not a TTWN Debtor) will receive such Holder's Pro Rata share of the Guarantor General Unsecured Recovery Cash Pool. The amount of the Guarantor General Unsecured Recovery Cash Pool will be \$17.5 million, subject to the adjustments described below, ***provided that in no event shall any such Holder receive a recovery less than 45 percent or greater than 55 percent on account of such Holder's Allowed Claim:***
  - If the amount of Allowed General Unsecured Claims against Non-Obligor Debtors and TTWN Debtors exceeds \$2.3 million, then the amount of the Guarantor General Unsecured Recovery Cash Pool will be reduced on a dollar for dollar basis by the amount of such overage.
  - If Holders of Allowed Guarantor General Unsecured Claims would receive a recovery of less than 50 percent, then the amount of the Guarantor General Unsecured Recovery Cash Pool will be increased by one-half of the amount of Cash that would be necessary to provide such Holders with a recovery of 50 percent (the "Additional True-up Cash"); *provided that* to the extent the amount of the Additional True-up Cash is insufficient to provide Holders of Allowed Guarantor General Unsecured Claims with a recovery of 45 percent on account of such Claims, the Additional True-up Cash shall be increased by the amount of Cash necessary to provide such Holders with a recovery of 45 percent on account of such Claims.
- Allowed General Unsecured Claims against iHC shall receive the same treatment as set forth in the Plan (*i.e.*, a recovery of 14.44%); *provided that* if the treatment to be provided on account of any other Allowed unsecured Claims against iHC (including any CCOH Due From Claims, 2021 Notes Claims, or Legacy Notes Claims) would provide the Holder(s) of such Claims with a greater percentage recovery on such Claims than would be received by Holders of Allowed General Unsecured Claims against iHC, the Holders of Allowed General Unsecured Claims against iHC will receive an additional Cash distribution such that their

recovery percentage will equal the recovery percentage on any such other Allowed unsecured Claim against iHC.<sup>3</sup>

- Due to all Holders of Allowed General Unsecured Claims now receiving a Cash recovery, the Class of Convenience Claims and the Convenience Class Election have been removed in the Fifth Amended Plan.
- The Committee and each member of the Committee, solely in their capacity as such, are included in the Fifth Amended Plan's definitions of Released Party, Exculpated Party, and Releasing Party.
- The Fifth Amended Plan includes the waiver and release, as of the Effective Date, by the Debtors (on behalf of themselves and their Estates) of all Avoidance Actions arising under section 547 of the Bankruptcy Code or any comparable "preference" action arising under applicable non-bankruptcy law.
- The Committee's Standing Motion and the Disputed ABL Claims Objection will be held in abeyance and, on the Effective Date, shall be deemed withdrawn with prejudice. In addition, the Committee will hold in abeyance any potential claims against the Consenting Sponsors pending the occurrence of the Effective Date.
- The Fifth Amended Plan requires the Confirmation Order to provide that the General Unsecured Claims held by the Consenting Sponsors, other than General Unsecured Claims arising from or related to Indemnification Provisions, shall be deemed withdrawn with prejudice as of the Effective Date.

The Debtors have modified the Fourth Amended Plan to reflect modified terms embodied in the Committee Plan Settlement. Pursuant to the Committee Plan Settlement, Holders of General Unsecured Claims against Guarantor Debtors (other than the TTWN Debtors) will receive the following recoveries:

- the Debtors project that Holders of Allowed Guarantor General Unsecured Claims will receive recoveries between 45 to 55 percent on account of such Claims (compared to 0 to 7.53 percent under the Fourth Amended Plan); and
- Holders of Allowed Guarantor General Unsecured Claims will receive such recoveries in the form of Cash (compared to New Debt and New iHeart Common Stock/Special Warrants (or beneficial interests in the FCC Trust) under the Fourth Amended Plan).

With respect to all other Holders of Allowed Claims or Allowed Interests, the Debtors' projected recovery percentages and the sources of such recoveries under the Fifth Amended Plan are substantially similar to those under the Fourth Amended Plan and described in the Disclosure Statement.

The Debtors believe that Confirmation of the Fifth Amended Plan represents the best avenue for the Debtors to reorganize and maximize value of their estates for the benefit of all stakeholders. The Debtors have therefore prepared this Disclosure Statement Supplement to provide further disclosure with

<sup>3</sup> For the avoidance of doubt, any determination of whether any other Allowed unsecured Claim against iHC receives a greater recovery shall not consider or include (a) any consideration included in the transactions contemplated by the Plan in connection with the CCOH Separation; (b) recoveries for Claims against Debtors other than iHC; and (c) recoveries for Claims or Interests that are subordinate to Allowed General Unsecured Claims against iHC.

respect to the value-maximizing Restructuring Transactions encompassed in the Fifth Amended Plan and described herein and in the Disclosure Statement.

As the Committee now supports the Fifth Amended Plan, included in the solicitation materials is a revised letter from the Committee recommending that Holders of General Unsecured Claims vote to accept the Fifth Amended Plan and not opt out of the releases contained therein.

## ARTICLE II SUMMARY OF PLAN MODIFICATIONS

This section provides a summary of the material modifications to the structure, means for implementation of, and treatment of Claims and Interests under the Fifth Amended Plan.

The statements contained in this Disclosure Statement Supplement include summaries of the provisions contained in the Fifth Amended Plan and in the documents referred to therein. The statements contained in this Disclosure Statement Supplement do not purport to be precise or complete statements of all the terms and provisions of the Fifth Amended Plan or documents referred to therein, and reference is made to the Fifth Amended Plan and to such documents for the full and complete statement of such terms and provisions of the Fifth Amended Plan or documents referred to therein.

The Fifth Amended Plan controls the actual treatment of Claims against, and Interests in, the Debtors under the Fifth Amended Plan and will, upon the occurrence of the Effective Date, be binding upon all Holders of Claims against, and Interests in, the Debtors, the Debtors' Estates, the Reorganized Debtors, all parties receiving property under the Fifth Amended Plan, and other parties in interest. In the event of any conflict between this Disclosure Statement Supplement, the Disclosure Statement, and the Fifth Amended Plan or any other operative document, the terms of the Fifth Amended Plan (or such other operative document) shall control.

### A. Modifications to the Treatment of Claims

The treatment of Claims pursuant to the Fifth Amended Plan has been modified as set forth below.

#### 1. Class 7D — iHC Unsecured Claims

- (a) *Classification:* Class 7D consists of all iHC Unsecured Claims.
- (b) *Allowance:* The Term Loan / PGN Deficiency Claims in Class 7D shall be Allowed against iHC, without offset, recoupment, reductions, or deduction of any kind, in an aggregate amount equal to \$13,454,622,496, comprised of:
  - (i) \$6,414,355,420 on account of the Term Loan Credit Agreement Claims;
  - (ii) \$2,044,810,838 on account of the 9.0% PGN Due 2019 Claims;
  - (iii) \$1,834,875,000 on account of the 9.0% PGN Due 2021 Claims;
  - (iv) \$1,045,000,000 on account of the 9.0% PGN Due 2022 Claims;
  - (v) \$1,000,468,750 on account of the 10.625% PGN Claims; and
  - (vi) \$1,115,112,488 on account of the 11.25% PGN Claims.
- (c) *Treatment:* Each Holder of an Allowed iHC Unsecured Claim shall receive payment of Cash equal to the greater of (i) 14.44 percent of the Allowed amount of such Allowed iHC Unsecured Claim and (ii) the percentage recovery provided to the Holders of iHC Unsecured Claims, CCOH Due From Claims, and/or iHC 2021 / Legacy Notes Claims. For the avoidance of doubt, any determination of

whether any other Allowed unsecured Claim against iHC receives a greater recovery shall not consider or include (a) any consideration included in the transactions contemplated by the Plan in connection with the CCOH Separation, (b) recoveries for Claims against Debtors other than iHC, and (c) recoveries for Claims or Interests that are subordinate to Allowed General Unsecured Claims against iHC. Pursuant to the Plan Settlement, each Term Loan / PGN Deficiency Claim against iHC will be cancelled without any distribution on account of such Term Loan / PGN Deficiency Claim against iHC.

- (d) *Voting:* Class 7D is Impaired under the Plan. Therefore, Holders of Allowed iHC Unsecured Claims are entitled to vote to accept or reject the Plan.

2. Class 7E — Guarantor Funded Debt Unsecured Claims (Other Than Exchange 11.25% PGN Claims) Against Guarantor Debtors Other Than CCH and the TTWN Debtors

- (a) *Classification:* Class 7E consists of all Guarantor Funded Debt Unsecured Claims, other than Exchange 11.25% PGN Claims, against Guarantor Debtors other than CCH and the TTWN Debtors.
- (b) *Allowance:* The Term Loan / PGN Deficiency Claims in Class 7E shall be Allowed against each Guarantor Debtor other than CCH and the TTWN Debtors, without offset, recoupment, reductions, or deduction of any kind, in an aggregate amount equal to \$10,949,779,638, comprised of: (i) \$5,423,876,352 on account of the Term Loan Credit Agreement Claims; (ii) \$1,729,059,339 on account of the 9.0% PGN Due 2019 Claims; (iii) \$1,551,540,953 on account of the 9.0% PGN Due 2021 Claims; (iv) \$883,635,286 on account of the 9.0% PGN Due 2022 Claims; (v) \$845,980,374 on account of the 10.625% PGN Claims; and (vi) \$515,687,333 on account of the 11.25% PGN Claims that are not Exchange 11.25% PGN Claims. The 2021 Notes Claims in Class 7E shall be Allowed against each Guarantor Debtor other than CCH and the TTWN Debtors, without offset, recoupment, reductions, or deduction of any kind, in an aggregate amount equal to \$2,408,796,061.
- (c) *Treatment:* Each Holder of an Allowed Guarantor Funded Debt Unsecured Claim, excluding Allowed Exchange 11.25% PGN Claims, against a Guarantor Debtor other than CCH and the TTWN Debtors shall receive its Pro Rata share of (a) 78.59 percent of the Remaining Distribution or (b) if the FCC Trust is utilized as described in the Plan, 70.51 percent of the beneficial interests in the FCC Trust and 78.59 percent of the Remaining Non-Equity Distribution; *provided that* all distributions on account of the 2021 Notes Claims in Class 7E shall be distributed to the Holders of the Allowed Term Loan / PGN Deficiency Claims that are not Intercompany Notes Claims pursuant to the 2021 Notes Indenture; *provided further that* the distributions that otherwise would have been made on account of Intercompany Notes Claims that are Term Loan / PGN Deficiency Claims (excluding Exchange 11.25% PGN Claims) shall be allocated, Pro Rata, to Holders of Allowed Term Loan / PGN Deficiency Claims (excluding Exchange 11.25% PGN Claims) that are not Intercompany Notes Claims.
- (d) *Voting:* Class 7E is Impaired under the Plan. Therefore, Holders of Allowed Guarantor Funded Debt Unsecured Claims (other than Exchange 11.25% PGN



Claims) against Guarantor Debtors other than CCH and the TTWN Debtors are entitled to vote to accept or reject the Plan.

3. Class 7G — Guarantor General Unsecured Claims

- (a) *Classification:* Class 7G consists of all Guarantor General Unsecured Claims.
- (b) *Treatment:* Each Holder of an Allowed Guarantor General Unsecured Claim shall receive its Pro Rata share of the Guarantor General Unsecured Recovery Cash Pool; *provided that* no Holder of an Allowed Guarantor General Unsecured Claim shall receive a recovery (i) less than 45 percent of such Holder's Allowed Claim or (ii) greater than 55 percent of such Holder's Allowed Claim.
- (c) *Voting:* Class 7G is Impaired under the Plan. Therefore, Holders of Allowed Guarantor General Unsecured Claims are entitled to vote to accept or reject the Plan.

**B. Consenting Sponsor General Unsecured Claims**

Article IV.A of the Fifth Amended Plan has been amended to provide that, as part of and in consideration of the Plan Settlement, and in exchange for the Committee's support of, among other things, the releases of and treatment of Claims and Interests held by the Consenting Sponsors and their Affiliates under the Fifth Amended Plan, the Confirmation Order shall provide that the General Unsecured Claims held by the Consenting Sponsors, other than General Unsecured Claims arising from or related to Indemnification Provisions, shall be deemed withdrawn with prejudice as of the Effective Date. In addition, as part of the Committee Plan Settlement, the Committee will not object to the releases of and treatment of Interests held by the Consenting Sponsors and their Affiliates in the form contained in the Plan.

**C. Guarantor General Unsecured Recovery Cash Pool**

On the Effective Date, the Debtors shall establish and fund the Guarantor General Unsecured Recovery Cash Pool Account with Cash in an amount equal to the Guarantor General Unsecured Recovery Cash Pool, which shall be held in trust for distributions to Holders of Allowed Guarantor General Unsecured Claims as provided in the Fifth Amended Plan. The Guarantor General Unsecured Recovery Cash Pool Account (1) shall not be and shall not be deemed property of the Debtors or the Reorganized Debtors, (2) shall be held in trust to fund distributions as provided in the Fifth Amended Plan, and (3) no Liens, Claims, or Interests shall encumber the Guarantor General Unsecured Recovery Cash Pool Account in any way (whether on account of the New ABL Indebtedness, the New Debt, or otherwise).

Following the Effective Date, if necessary to comply with the requirements set forth in the Fifth Amended Plan, the Reorganized Debtors shall contribute Cash to the Guarantor General Unsecured Recovery Cash Pool Account to account for the Guarantor General Unsecured Recovery Cash Pool Supplement. In the event that Cash remains in the Guarantor General Unsecured Recovery Cash Pool after (a) the reconciliation of all General Unsecured Claims against Non-Obligor Debtors and Guarantor Debtors, and (b) all distributions have been made to Holders of Allowed General Unsecured Claims against Non-Obligor Debtors and Allowed General Unsecured Claims against Guarantor Debtors as provided herein, such Cash shall be remitted to the Reorganized Debtors.

**D. Dismissal of the Committee's Standing Motion and Disputed ABL Claims Objection**

Article IV of the Fifth Amended Plan has been amended to provide new Article IV.Z, which states that the Confirmation Order shall provide that on the Effective Date, (a) the Standing Motion shall be deemed withdrawn with prejudice and (b) the Disputed ABL Claims Objection shall be deemed withdrawn with prejudice. In addition, (i) the definition of "Released Party" and "Releasing Party" in the Fifth Amended Plan have been amended to include the ABL Secured Parties,<sup>4</sup> (ii) Article IX.A has been modified to require the ABL Agent's consent to the extent that the terms and provisions of the Confirmation Order impact the ABL Secured Parties and (iii) Article X.A has been modified to limit the Debtors' ability to amend or modify the Plan when such modifications impact the ABL Secured Parties.

**E. Timing of Distributions**

Article VI.A of the Fifth Amended Plan has been amended to provide that specifically with respect to Holders of Allowed Guarantor General Unsecured Claims, each such Holder shall receive from the Guarantor General Unsecured Claims Pool Account (1) an initial distribution in Cash equal to 45 percent of such Holder's Allowed Guarantor General Unsecured Claim on the Effective Date or as soon as reasonably practicable thereafter (or if such Claim is not an Allowed Claim on the Effective Date, on the next Distribution Date after such Claim becomes an Allowed Claim) and (2) upon completion of the Claims reconciliation process, its Pro Rata share of a potential supplemental Cash distribution (*i.e.*, the Guarantor General Unsecured Recovery Cash Pool Supplement) in accordance with Article III.C.14 of the Fifth Amended Plan.

**F. Release of Preference Actions**

Article III of the Fifth Amended Plan has been amended to provide new Article III.M, which provides that as of the Effective Date, the Debtors, on behalf of themselves and their Estates, shall be deemed to waive and release all Avoidance Actions arising under section 547 of the Bankruptcy Code or any comparable "preference" action arising under applicable non-bankruptcy law; *provided that*, except as expressly provided in Article VIII.M of the Fifth Amended Plan or the Confirmation Order, the Reorganized Debtors shall retain the right to assert any Claims assertable in any Avoidance Action as defenses or counterclaims in any Cause of Action brought by any Entity.

### ARTICLE III CONTINUED SOLICITATION AND VOTING PROCEDURES

On October 18, 2018, the Bankruptcy Court entered the *Order (I) Approving the Debtors' Continued Solicitation of the Fifth Amended Plan and the Adequacy of the Supplemental Disclosure in Connection Therewith, (II) Modifying Certain Deadlines and Procedures in Connection with Plan Confirmation and Shortening Notice with Respect Thereto, (III) Approving the Form of Ballots in Connection Therewith, and (IV) Granting Related Relief*, which, among other things, approved the adequacy of the *Disclosure Statement Supplement for the Fifth Amended Joint Chapter 11 Plan of Reorganization of iHeartMedia, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the "Continued Solicitation Order"), which, among other things, approved the Disclosure Statement Supplement and modified the dates and deadlines for the following items in the confirmation schedule

<sup>4</sup> The terms "ABL Agent," "ABL Credit Agreement," and "ABL Secured Parties" have been added to the Fifth Amended Plan. Generally speaking (and as it relates here), certain claims of the ABL Secured Parties under the ABL Credit Agreement are the subject of the Disputed ABL Claims Objections.



established by paragraph 5 of the Disclosure Statement Order. All other dates and deadlines remain unchanged.

| Event                              | Original Date   | Revised Date   |
|------------------------------------|---|--|
| Supplemental Solicitation Deadline | N/A   | October 22, 2018   |
| Voting Deadline                    | November 9, 2018, at 5:00 p.m., prevailing Central Time | November 16, 2018, at 5:00 p.m., prevailing Central Time |

Other than as set forth in the Continued Solicitation Order, all provisions of the Disclosure Statement Order remain in full force and effect; including, for the avoidance of doubt, (a) **November 28, 2018, at 5:00 p.m., prevailing Central Time** as the deadline to file objections to the Fifth Amended Plan; (b) **December 7, 2018**, as the deadline to file the Confirmation Brief, Plan Objection Response, and Voting Report; and (c) **December 11, 2018, at 9:00 a.m., prevailing Central Time** (or such other time as may be scheduled by the Bankruptcy Court), as the Confirmation Hearing Date. For the avoidance of doubt, if a Ballot is submitted for the Fourth Amended Plan and no subsequent Ballot is received for the Fifth Amended Plan, the Ballot received for the Fourth Amended Plan shall count towards the Fifth Amended Plan.

The Fifth Amended Plan, the Disclosure Statement, the Continued Solicitation Order, the Disclosure Statement Order, and all other pleadings in the Chapter 11 Cases may also be obtained from Prime Clerk LLC, the claims, noticing, and solicitation agent retained by the Debtors, by: (a) calling the Debtors' restructuring hotline at (877) 756-7779, within the U.S. or Canada, or (347) 505-7142 outside of the U.S. or Canada; (b) visiting the Debtors' restructuring website at: <https://cases.primeclerk.com/iheartmedia>; (c) writing to Prime Clerk LLC at iHeartMedia, Inc. Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 3rd Floor, New York, NY 10022; or (d) emailing [iheartmediaballots@primeclerk.com](mailto:iheartmediaballots@primeclerk.com). You may also obtain copies of any pleadings filed in the Chapter 11 Cases for a fee via PACER at: <http://www.txs.uscourts.gov>.

#### ARTICLE IV CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

##### A. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.B of the Fifth Amended Plan:

- (a) The Bankruptcy Court shall have entered the Disclosure Statement Order, which order shall be in form and substance reasonably acceptable to the Required Consenting Senior Creditors, the Debtors, and, solely with respect to those terms and provisions that would have a material adverse effect on the value of the distributions to (a) the Holders of 2021 Notes Claims, the Required Consenting 2021 Noteholders and (b) the Consenting Sponsors on account of their iHeart Interests, the Consenting Sponsors, and such order shall be a Final Order and in full force and effect.
- (b) The Bankruptcy Court shall have entered the Confirmation Order, which order shall be in form and substance reasonably acceptable to the Required Consenting Senior Creditors, the Debtors, the DIP Agent, and, solely with respect to those terms and provisions that (a) would have a material adverse effect on the value of

the distributions to (i) the Holders of 2021 Notes Claims, the Required Consenting 2021 Noteholders and (ii) the Consenting Sponsors on account of their iHeart Interests, the Consenting Sponsors, and (b) impact the Committee, the treatment of General Unsecured Claims, the distribution of Cash to Holders of Allowed General Unsecured Claims, and the releases and exculpation to be granted to the Committee and its members, the Committee, and such order shall not have been stayed, modified, or vacated on appeal.

- (c) The Plan Supplement, including any amendments, modifications, or supplements to the documents, schedules, or exhibits included therein shall have been filed with the Bankruptcy Court pursuant to the terms of the Fifth Amended Plan.
- (d) The Internal Revenue Service shall have issued a private letter ruling to iHeart or iHeart shall have received an opinion of counsel or accounting firm chosen by the Debtors, in each case in form and substance reasonably acceptable to the Debtors and the Required Consenting Senior Creditors, with respect to any and all matter(s) that such parties have reasonably determined that the receipt of a private letter ruling or an opinion of counsel or accounting firm is advisable with respect to the Restructuring Transactions.
- (e) The Reorganized Debtors shall have executed and delivered the New ABL Credit Agreement Documents and shall have issued the New ABL Credit Agreement Indebtedness in connection therewith.
- (f) All DIP Claims (other than Contingent DIP Obligations that continue Unimpaired) shall have become either Repaid DIP Claims or Converted DIP Claims.
- (g) The New Debt shall have been issued by Reorganized iHC.
- (h) The New iHeart Common Stock and, if necessary, the Special Warrants shall have been issued by Reorganized iHeart.
- (i) If the Taxable Separation is effectuated pursuant to the terms and conditions set forth in Article IV.G of the Fifth Amended Plan, the Preferred Stock Transactions shall have occurred.
- (j) The FCC Approval and any other authorizations, consents, regulatory approvals, rulings, or documents required to implement and effectuate the Fifth Amended Plan shall have been obtained.
- (k) If the FCC Trust is utilized as described in the Fifth Amended Plan, the FCC Trust shall have been established in accordance with the provisions of the Fifth Amended Plan and the FCC Trust Agreement.
- (l) The Professional Fee Escrow Account shall have been established and funded with Cash in accordance with Article II.B.2 of the Fifth Amended Plan.
- (m) The Reorganized Debtors shall have entered into all documents effectuating the separation of CCOH from the Debtors.
- (n) The Restructuring Support Agreement shall not have been terminated.

- (o) The Reorganized Debtors shall have paid, to the extent unpaid and invoiced at least five Business Days prior to the Effective Date, all Consenting Stakeholder Fees.
- (p) All actions, documents, certificates, and agreements necessary to implement the Fifth Amended Plan shall have been effectuated or executed and delivered to the required parties and, to the extent required, filed with the applicable Governmental Units as provided for in the Fifth Amended Plan.
- (q) Each of the New Corporate Governance Documents will be in full force and effect as of the Effective Date.
- (r) (a) The Required Consenting Senior Creditors shall have determined in their reasonable judgment, with the assistance of their financial and legal advisors, that (i) the aggregate amount of Allowed General Unsecured Claims against Non-Obligor Debtors classified into Class 7A is reasonably expected to be equal to or less than \$4.75 million; (ii) the aggregate amount of Allowed General Unsecured Claims against the TTWN Debtors classified into Class 7B is reasonably expected to be equal to or less than \$3.0 million, and (iii) the aggregate amount of Allowed iHC Unsecured Claims classified into Class 7D, excluding Term Loan / PGN Deficiency Claims, is reasonably expected to be equal to or less than \$2.0 million or (b) the Bankruptcy Court shall have entered a Final Order estimating (i) the aggregate amount of Allowed General Unsecured Claims against Non-Obligor Debtors classified into Class 7A to be equal to or less than \$4.75 million; (ii) the aggregate amount of Allowed General Unsecured Claims against the TTWN Debtors classified into Class 7B to be equal to or less than \$3.0 million, and (iii) the aggregate amount of Allowed iHC Unsecured Claims classified into Class 7D, excluding Term Loan / PGN Deficiency Claims, to be equal to or less than \$2.0 million.
- (s) The Guarantor General Unsecured Recovery Cash Pool Account shall have been established and funded in Cash in accordance with Article IV.Y of the Fifth Amended Plan.
- (t) The Sponsor Unsecured Claims shall have been deemed withdrawn with prejudice.

## **B. Waiver of Conditions Precedent**

The Debtors may, with the prior written consent of (a) the Required Consenting Senior Creditors, (b) solely with respect to Articles IX.A.2 and IX.A.6, the DIP Agent, (c) solely with respect to Article IX.A.6, the DIP Lenders (d) solely with respect to those terms and provisions that would have a material adverse effect on the value of the distributions to the Holders of 2021 Notes Claims, the Required Consenting 2021 Noteholders, (e) solely with respect to those terms and provisions that would have a material adverse effect on the value of the distributions to the Consenting Sponsors on account of their iHeart Interests, the Consenting Sponsors, and (f) solely with respect to Articles IX.A.19 and IX.A.20, the Committee (in each case for (a) through (f), such consents not to be unreasonably withheld) waive any of the conditions to the Effective Date set forth in Article IX.A of the Fifth Amended Plan, other than the conditions set forth in (i) Article IX.A.10–11 and (ii) Article IX.A.16 (which condition may only be waived by the party entitled to payment in accordance with such condition) at any time without any notice to any other parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm and consummate the Fifth Amended Plan.

**ARTICLE V  
ADDITIONAL RISK FACTORS**

**A. Legacy Notes Adversary Proceeding.**

The Legacy Notes Trustee does not currently support the Plan and intends to object to Confirmation. In addition, the trial regarding the adversary proceeding filed by the Legacy Notes Trustee on March 21, 2018, captioned as Case No. 18-03052, is scheduled to commence on October 24, 2018. If, following the trial, the Court rules in favor of the Legacy Notes Trustee such that the Holders of Legacy Notes would have Claims against any of the Debtors other than iHC, the Plan may not be confirmable or may be amended. Any such amendment will give parties the right to terminate the Restructuring Support Agreement, and it is presently unknown whether any such amendments would be supported by the parties to the Restructuring Support Agreement.

**B. The Debtors May Not Be Able to Satisfy the Conditions Precedent to Consummation of the Fifth Amended Plan.**

To the extent that the Debtors are unable to satisfy the conditions precedent to consummation of the Fifth Amended Plan, the Debtors may be unable to consummate the Fifth Amended Plan, which may cause certain stakeholders or parties in interest to terminate their support for the Fifth Amended Plan prior to the Confirmation or Consummation of the Fifth Amended Plan. Any such loss of support could adversely affect the Debtors' ability to confirm and consummate the Fifth Amended Plan.

**ARTICLE VI  
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

Modifications under the Fifth Amended Plan have resulted in revised treatment of Holders in Class 7E and Class 7F that hold General Unsecured Claims. In the Fourth Amended Plan, Holders in Class 7E and Class 7F that hold General Unsecured Claims, were entitled to: (a) Special Warrants, New iHeart Common Stock, or a combination of Special Warrants and New iHeart Common Stock; (b) New Debt; and (c) CCOH Interests. In the Fifth Amended Plan, such Holders are referred to as Guarantor General Unsecured Claims, constitute Class 7G, and are entitled to receive Cash. Consequently, the treatment of U.S. Holders of Guarantor General Unsecured Claims for U.S. federal income tax purposes described in the Disclosure Statement is no longer applicable in light of revisions under the Fifth Amended Plan, as discussed in this Disclosure Statement Supplement. Rather, a U.S. Holder of an Allowed Guarantor General Unsecured Claim is generally expected to be treated as receiving its distribution under the Fifth Amended Plan in a taxable exchange under section 1001 of the Tax Code. Accordingly, other than with respect to any amounts received that are attributable to accrued but untaxed interest (or "OID"), a U.S. Holder of such Allowed Claim would recognize gain or loss equal to the difference between: (a) the amount of the Cash received and (b) such U.S. Holder's adjusted basis in such Claim.

**ARTICLE VII  
RECOMMENDATION AND CONCLUSION**

In the opinion of the Debtors, the Fifth Amended Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that Holders of Claims entitled to vote on the Fifth Amended Plan vote to accept the Fifth Amended Plan and support Confirmation of the Fifth Amended Plan.

Dated: October 18, 2018

Respectfully submitted,

iHeartMedia, Inc.,  
on behalf of itself and each of the other Debtors

By: Scott Hamilton  
Name: Scott Hamilton  
Title: Chief Accounting Officer  
iHeartMedia, Inc. and its Affiliated Debtors  
and Debtors in Possession

**Exhibit A**

**Fifth Amended Plan**

**[Filed on the Docket at Docket No. 1632]**



**Exhibit B**

**Fifth Amended Plan (Redline Version)**

**[Filed on the Docket at Docket No. 1626 Ex. B]**