HEARING DATE AND TIME: February 1, 2018 at 10:00 a.m. (Eastern Time)
OBJECTION DEADLINE: January 26, 2018 at 4:00 p.m. (Eastern Time

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Counsel for Debtors
and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	**Chapter 11**
CUMULUS MEDIA INC., *et al.*,	:	**Case No. 17-13381 (SCC)**
Debtors.[1]	:	**(Jointly Administered)**

NOTICE OF DEBTORS' MOTION PURSUANT TO SECTIONS 105(a) AND 365(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6004 AND 9014 FOR AUTHORITY TO REJECT THE MERLIN AGREEMENTS

PLEASE TAKE NOTICE that on the **1st day of February 2018, at 10:00 a.m. (EST)**, or as soon thereafter as counsel may be heard, the Debtors will appear before the Honorable Shelley C. Chapman or any other judge who may be sitting in her place and stead, in Courtroom 623 in the United States Bankruptcy Court, Southern District of New York, One Bowling Green, New York, NY 10004, and present the attached *Debtors' Motion Pursuant to Sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6004 and 9014 for Authority to Reject the Merlin Agreements* (the "Motion").

[1] The last four digits of Cumulus Media Inc.'s tax identification number are 9663. Because of the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' proposed claims and noticing agent at http://dm.epiq11.com/cumulus. The location of the Debtors' service address is: 3280 Peachtree Road, N.W., Suite 2200, Atlanta, Georgia 30305.

PLEASE TAKE FURTHER NOTICE that that any objection ("Objection") to the Motion shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York, and the Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 1015(c), 2002(m), and 9007 Implementing Certain Notice and Case Management Procedures [Docket No. 73] (the "Case Management Order") and shall be filed with the Court (a) by registered users of the Bankruptcy Court's case filing system, electronically in accordance with General Order M–399 (which can be found at http://www.nysb.uscourts.gov) and (b) by all other parties in interest, on a CD-ROM, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers as set forth in the Case Management Order), in accordance with the customary practices of the Bankruptcy Court and General Order M–399, to the extent applicable, and served so as to be actually received no later than **January 26, 2018, at 4:00 p.m. (EST)** (the "Objection Deadline") on (i) counsel to the Debtors; (ii) the Office of the United States Trustee for the Southern District of New York; and (iii) the other Core Parties and any Particularized Interest Party as defined in the Case Management Order.

PLEASE TAKE FURTHER NOTICE that copies of the Motion as well as copies of all documents filed in these chapter 11 cases are available free of charge by visiting http://dm.epiq11.com/cumulus or by calling (844) 429-1668 within the United States or Canada or, outside of the United States or Canada, by calling +1 (503) 597-5529. You may also obtain copies of any pleadings by visiting the Court's website at http://www.nysb.uscourts.gov in accordance with the procedures and fees set forth therein.

PLEASE TAKE FURTHER NOTICE that if no Objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard.

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Dated: January 18, 2018
New York, New York

PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP

/s/ Paul M. Basta

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Counsel for Debtors and
Debtors in Possession

HEARING DATE AND TIME: February 1, 2018 at 10:00 a.m. (Eastern Time)
OBJECTION DEADLINE: January 26, 2018 at 4:00 p.m. (Eastern Time

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	**Chapter 11**
CUMULUS MEDIA INC., *et al.*,	:	**Case No. 17-13381 (SCC)**
Debtors.[1]	:	**(Jointly Administered)**

DEBTORS' MOTION PURSUANT TO SECTIONS 105(a) AND 365(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6004 AND 9014 FOR AUTHORITY TO REJECT THE MERLIN AGREEMENTS

Cumulus Media Inc. and its affiliated debtors and debtors in possession (each a "Debtor" and, collectively, the "Debtors"), hereby move this Court for entry of an order, in substantially the form attached hereto as **Exhibit A** (the "Proposed Order"), pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing the Debtors to reject the Merlin Agreements (as defined below). In support of this motion (the "Motion"),

[1] The last four digits of Cumulus Media Inc.'s tax identification number are 9663. Because of the large number of Debtors in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at http://dm.epiq11.com/cumulus. The location of the Debtors' service address is: 3280 Peachtree Road, N.W., Suite 2200, Atlanta, Georgia 30305.

the Debtors submit the *Declaration of John Abbot in Support of Debtors' Motion Pursuant to 11 U.S.C. §§ 105(a) and 365(a) for Authority to Reject the Merlin Agreements* (the "Abbot Declaration"), attached hereto as **Exhibit B**, and respectfully state as follows:

Background

1. On November 29, 2017 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 (the "Chapter 11 Cases") of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code.

2. The Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

3. On December 11, 2017, the United States Trustee for Region 2 appointed the Official Committee of Unsecured Creditors (the "UCC") pursuant to section 1102 of the Bankruptcy Code. No trustee, examiner, or other statutory committee has been appointed in the Chapter 11 Cases.

4. Additional information about the Debtors' business and the events leading to the commencement of these Chapter 11 Cases can be found in the *Declaration of John F. Abbot in Support of Chapter 11 Petitions and First Day Motions* (the "First Day Declaration") [ECF No. 17].[2]

The Merlin Agreements

5. On January 2, 2014 (the "Commencement Date"), Debtors Chicago FM Radio Assets, LLC ("Chicago FM") and Radio License Holdings LLC ("RLH") entered into certain agreements with Merlin Media, LLC and Merlin Media License, LLC (collectively, "Merlin")

[2] Capitalized terms used but not defined herein have the meaning ascribed to them in the First Day Declaration.

that relate to the ownership and operation of two Chicago-based radio stations: WLUP-FM and WKQX-FM (f/k/a WIQI-FM) (collectively, the "Merlin Stations"). Specifically, Chicago FM is party to that certain Local Market Agreement, dated as of the Commencement Date, with Merlin (the "LMA"). Chicago FM's obligations under the LMA are guaranteed by Debtor Cumulus Media Holdings Inc. Additionally, Chicago FM and RLH are party to that that certain Put and Call Agreement, dated as the Commencement Date, with Merlin (the "Put and Call Agreement"). Chicago FM's and RLH's obligations under the Put and Call Agreement are guaranteed by Debtor Cumulus Media Holdings Inc. Finally, Chicago FM is party to that certain talent agreement, dated as of March 30, 2015, with American Patriot, LLC, pursuant to which American Patriot, LLC provides Chicago FM with certain on-air talent for the Merlin Stations (the "Talent Agreement" and, collectively with the LMA and the Put and Call Agreement, the "Merlin Agreements").

6. As described in greater detail below, each of the Merlin Agreements are economically detrimental to the Debtors' estates.

i. The LMA

7. Under the terms of the LMA, Merlin, as the owner of the Merlin Stations, licensed certain radio station assets to Chicago FM to permit Chicago FM to operate the Merlin Stations and retain any revenue generated thereby. In exchange, Chicago FM pays Merlin, among other things, a monthly fee, which is currently equal to approximately $600,000/month (the "LMA Fee").

8. As further described in the Abbot Declaration, operating the Merlin Stations, net of the LMA Fee, has proved unprofitable for the Debtors since the LMA's execution. In calendar year 2014, the Merlin Stations lost approximately $1.5 million net of the LMA Fee.

Losses were $0.8 million in 2015, $1.1 million in 2016, and then increased to $5.1 million in 2017. The Merlin Stations' cumulative losses have totalled approximately $8.4 million to date. Chicago FM has realized these losses because the monthly LMA Fees payable to Merlin, together with the operating costs associated with the Merlin Stations, which include expenses related to employees, as well as selling, general, and administrative expenses, exceed the revenue generated by the Merlin Stations. The Debtors believe that operating the Merlin Stations under the current LMA will continue to be unprofitable for the foreseeable future. Moreover, upon rejection of the Put and Call Agreement, the Debtors will no longer benefit by reducing the Put Price (as defined below) by the amount of any LMA Fees they may pay, which would otherwise offset the negative economic impact of the LMA Fees on the Debtors' estates. As a result, the Debtors seek to reject the LMA to relieve the Debtors' estates of the significant and unnecessary burden the LMA presents.

ii. The Put and Call Agreement

9. At the same time that the parties entered into the LMA, they also executed the Put and Call Agreement, pursuant to which Chicago FM and RLH had the right to "call," or purchase, the Merlin Stations from Merlin until October 5, 2017 for the greater of (i) $70.0 million minus the aggregate amount of LMA Fees paid by Chicago FM on or prior to the earlier of the closing date or the date that is four years after the Commencement Date; or (ii) $50.0 million. Conversely, Merlin had the right to "put," or sell, the Merlin Stations to Chicago FM and RLH at any time during a ten business day period commencing October 6, 2017 for $71.0 million, minus the aggregate amount of LMA Fees paid by Chicago FM on or prior to the earlier

of the closing date and January 3, 2018, which amounts to approximately $50 million (the "Put Price").[3]

10. Chicago FM and RLH did not exercise the call option to purchase the Merlin Stations on or prior to October 5, 2017. However, on October 6, 2017, Merlin notified Chicago FM that it was exercising the right to require Chicago FM and RLH to acquire the Merlin Stations for the Put Price.

11. As described in the Abbot Declaration, the Put Price is in excess of the fair market value of the Merlin Stations, and it would therefore be economically disadvantageous for Chicago FM and RLH to assume the Put and Call Agreement and retain control of the Merlin Stations in exchange for the Put Price.

12. Finally, given the Debtors' decision to reject the Put and Call Agreement and the LMA Agreement, the Debtors will no longer benefit from the Talent Agreement, which only provides value to the Debtors' estates in the context of operating the Merlin Stations.

13. Therefore, immediate rejection of the Merlin Agreements will preserve and maximize the value of the Debtors' estates and avoid the incurrence of unnecessary liabilities associated with the Debtors' obligations therewith. Accordingly, the Debtors have determined that it is in the best interest of their estates to reject the Merlin Agreements pursuant to section 365 of the Bankruptcy Code.

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[3] Pursuant to section 2.6 of the Put and Call Agreement, Chicago FM and RLH were permitted, subject to certain conditions, to satisfy their obligation to pay the Put Price in either cash, Stock (as defined in the Put and Call Agreement) or a combination of the two. In light of this ability to pay the Put Price in, among other things, common stock of Cumulus Media Inc., any damage claims arising from rejection of the Put and Call Agreement may be subject to subordination pursuant to section 510(b) of the Bankruptcy Code. However, the Court does not need to assess, and the Debtors are not requesting, a determination regarding the nature, extent and/or priority of any unsecured claims arising from rejection of the Merlin Agreements in the context of the instant Motion. Nothing in this Motion or the Abbot Declaration shall constitute a waiver or admission by the Debtors with respect to such issues, and all such rights are expressly reserved.

Jurisdiction and Venue

14. The United States Bankruptcy Court for the Southern District of New York (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the Southern District of New York, dated January 31, 2012. The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

15. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

16. The bases for the relief requested herein are sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6004 and 9014.

Relief Requested

17. By this Motion, the Debtors request entry of the Proposed Order authorizing the Debtors to reject the Merlin Agreements, effective as of the date of entry of the Proposed Order.

Basis for Relief

18. Section 365(a) of the Bankruptcy Code provides, in relevant part, that a debtor in possession, "subject to the court's approval, may . . . reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a); *see also NLRB* v. *Bildisco & Bildisco*, 465 U.S. 513, 521 (1984), *superseded by statute as recognized in Am. Flint Glass Workers Union* v. *Anchor Resolution Corp.*, 197 F.3d 76, 82 (3d Cir.1999); *In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). "[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor in possession to use valuable property of the estate and to 'renounce

title to and abandon burdensome property.'" *In re Orion Pictures Corp.*, 4 F.3d 1095, 1098 (2d Cir. 1993).

19. Courts defer to a debtor's business judgment in rejecting an executory contract or unexpired lease and, upon finding that a debtor has exercised its sound business judgment, regularly approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the "business judgment" standard used to approve rejection of executory contracts); *In re Klein Sleep Prods., Inc.*, 78 F.3d 18, 25 (2d Cir. 1996) (holding that the "business judgment" test is appropriate for determining when executory contract can be rejected); *In re Old Carco LLC*, 406 B.R. 180, 188 (Bankr. S.D.N.Y. 2009) (applying the "business judgment" test in ratifying the decision to reject executory contracts); *see also In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); *In re Great Atl. & Pac. Tea Co., Inc.*, 472 B.R. 666, 672 (S.D.N.Y. 2012) ("[I]n reviewing a debtor's decision to assume a lease, the bankruptcy court 'plac[es] itself in the position of the . . . debtor-in-possession and determin[es] whether assuming [it] would be a good business decision or a bad one.'") (quoting *In re Orion Pictures Corp.*, 4 F.3d 1095, 1099 (2d Cir. 1993)). Under the business judgment standard, a debtor's decision with respect to an executory contract must be summarily affirmed unless it is the product of "bad faith, or whim or caprice." *Old Carco LLC*, 406 B.R. at 190 (quoting *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001)).

20. As the Second Circuit in *Orion* recognized:

> At heart, a motion to assume should be considered a summary proceeding, intended to efficiently review the trustee's or debtor's decision to adhere to or reject a particular contract in the course of the swift administration of the bankruptcy estate. It is not the time or place for prolonged discovery or a lengthy trial with disputed issues.

F.3d at 1098–99. Accordingly, to approve a motion to reject an executory contract, a court need only make a determination that the debtor is "acting on an informed basis, in good faith, and with the honest belief that" rejection is "in the best interests of" the debtor and its estate. *In re Network Access Solutions, Corp.*, 330 B.R. 67, 75 (Bankr. D. Del. 2005); *see also In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996) ("To meet the business judgment test, the debtor in possession must establish that rejection will benefit the estate."); *In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y. 2009) ("A court 'should defer to a debtor's decision that rejection of a contract would be advantageous.'") (internal citations omitted).

21. The Debtors and their advisors have thoroughly considered the available alternatives to rejection of the Merlin Agreements and believe that the relief requested herein is necessary to preserve and maximize the value of the Debtors' estates. The Debtors have concluded that maintaining the Merlin Agreements and continuing to operate the Merlin Stations (either pursuant to the LMA or upon the acquisition of the Merlin Stations for the Put Price pursuant to the Put and Call Agreement) is not in the best interests of, and would impose an undue economic burden on, the Debtors' estates. Accordingly, the Debtors submit that rejecting the Merlin Agreements, and stemming the loss of value arising from the continued operation of the Merlin Stations, is a reasonable exercise of their business judgment and will preserve assets of the estates to help maximize distribution to all creditors, and should be approved.

Waiver of Bankruptcy Rule 6004(h)

22. To successfully implement the foregoing, and prevent any losses stemming from the continued operation of the Merlin Stations, the Debtors request that the Court enter an order providing that the Debtors have established cause to waive the 14-day stay period under Bankruptcy Rule 6004(h).

Reservation of Rights

23. Nothing contained in this Motion or any actions taken pursuant to any order granting the relief requested by this Motion is intended or should be construed as (a) an admission as to the validity of any particular claim against a Debtor entity, (b) a waiver of the Debtors' rights to dispute any particular claim on any grounds, (c) a promise or requirement to pay any particular claim, (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion, (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code, or (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law. If the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any particular claim or a waiver of the Debtors' rights to subsequently dispute such claim.

Motion Practice

24. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this Motion. Accordingly, the Debtors submit that this Motion satisfies Local Rule 9013-1(a).

Notice

25. Notice of this Motion will be provided to the Core Parties and any Particularized Interest Party, each as defined and set forth in the *Order Pursuant to 11 U.S.C. §105(a) and Fed. R. Bankr. P. 1015(c), 2002(m), and 9007 Implementing Certain Notice and Case Management Procedures* [Docket No. 73]. The Debtors submit that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

No Prior Request

26. No prior request for the relief sought in this Motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request the entry of the Proposed Order granting the relief requested herein and such other and further relief as is just and proper.

Dated: January 18, 2018
New York, New York

PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP

/s/ Paul M. Basta

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Lewis R. Clayton
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Counsel for Debtors and
Debtors in Possession

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	**Chapter 11**
CUMULUS MEDIA INC., *et al.*,	:	**Case No. 17-13381 (SCC)**
Debtors.[1]	:	**(Jointly Administered)**

ORDER PURSUANT TO SECTIONS 105(a) AND 365(a) OF THE BANKRUPTCY CODE AND RULES 6006 AND 9014 OF THE BANKRUPTCY RULES AUTHORIZING DEBTORS TO REJECT THE MERLIN AGREEMENTS

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 105(a) and 365(a) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for entry of an order authorizing the Debtors to reject the Merlin Agreements effective as of the date hereof, all as more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference*, dated January 31, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion having been given as provided in the Motion, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and this Court having held a hearing to consider the relief requested in the Motion (the "Hearing"); and upon

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[2] Capitalized terms used herein but not otherwise defined have the meaning ascribed to them in the Motion.

consideration of the Abbot Declaration, filed contemporaneously with the Motion, the record of the Hearing and all of the proceedings held by this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and all objections to the Motion having been overruled on the merits or withdrawn with prejudice; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is hereby GRANTED.

2. Each of the Merlin Agreements is an executory contract capable of being rejected under section 365 of the Bankruptcy Code.

3. Pursuant to sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014, each of the Merlin Agreements and all related amendments and supplements thereto are hereby rejected effective as of the date hereof.

4. The rejection of the Merlin Agreements as authorized herein (a) constitutes a sound exercise of the Debtors' business judgment, made in good faith and for legitimate commercial reasons; (b) is appropriate and necessary under the circumstances described in the Motion; and (c) is warranted and permissible under sections 105 and 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

5. Notice of the Motion as provided therein is deemed to be good and sufficient notice of such Motion, and the contents of the Motion satisfy the requirements of the Bankruptcy Rules and the Local Rules. Under the circumstances of these Chapter 11 Cases, notice of the Motion is adequate under Bankruptcy Rule 6006(c).

6. The Debtors are authorized to immediately take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion. The 14-day stay period under Bankruptcy Rule 6004(h) is hereby waived.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: _____, 2018
New York, New York

_____
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Abbot Declaration

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	**Chapter 11**
CUMULUS MEDIA INC., *et al.*,	:	**Case No. 17-13381 (SCC)**
Debtors.[1]	:	**(Jointly Administered)**

DECLARATION OF JOHN F. ABBOT IN SUPPORT OF DEBTORS' MOTION PURSUANT TO 11 U.S.C. §§ 105(a) AND 365(a) FOR AUTHORITY TO REJECT THE MERLIN AGREEMENTS

I, John F. Abbot, do hereby declare, under penalty of perjury, that:

1. I submit this declaration in support of the *Debtors' Motion Pursuant to Sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rules 6006 and 9014 for Authority to Reject the Merlin Agreement* (the "Rejection Motion"), filed contemporaneously herewith.[2]

2. I serve as the Executive Vice President, Treasurer, and Chief Financial Officer of the above captioned debtors and debtors in possession (each a "Debtor" and collectively, the "Debtors" and together with their non-debtor affiliates and subsidiaries, the "Company" or "Cumulus Media"). I joined Cumulus Media in July 2016, having most recently served as Executive Vice President and Chief Financial Officer of Telx Holdings Inc., a leading provider of connectivity, co-location and cloud services in the data center industry, from January 2014 through December 2015.

3. Prior to my service at Telx, which was sold to Digital Realty Trust in October 2015, I served as Chief Financial Officer of Insight Communications Company, Inc., a

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[2] Capitalized terms used herein that are not defined shall have the meaning set forth in the Rejection Motion.

cable television business, for eight years. During the prior nine years, I worked in the Global Media and Communications Group of the Investment Banking Division at Morgan Stanley, where I was a Managing Director when I left to join Insight Communications Company, Inc.

4. I began my financial career as an associate at Goldman, Sachs & Co., and prior to that served as a Surface Warfare Officer in the U.S. Navy for six years. I received a bachelor's degree in Systems Engineering from the U.S. Naval Academy, a Master of Engineering in Industrial Engineering from The Pennsylvania State University, and a Masters in Business Administration from Harvard Business School.

5. I am thus fully familiar with the facts underlying the Rejection Motion, which I approved prior to its filing. I adopt the representations contained in the Rejection Motion, as if set forth in full and at length in this Declaration.

The Merlin Agreements

6. On January 2, 2014 (the "Commencement Date"), Debtors Chicago FM Radio Assets, LLC ("Chicago FM") and Radio License Holdings LLC ("RLH") entered into certain agreements with Merlin Media, LLC and Merlin Media License, LLC (collectively, "Merlin") that relate to the ownership and operation of two Chicago-based radio stations: WLUP-FM and WKQX-FM (f/k/a WIQI-FM) (collectively, the "Merlin Stations"). Specifically, Chicago FM is party to that certain Local Market Agreement, dated as of the Commencement Date, with Merlin (the "LMA"). Chicago FM's obligations under the LMA are guaranteed by Debtor Cumulus Media Holdings Inc. Additionally, Chicago FM and RLH are party to that that certain Put and Call Agreement, dated as the Commencement Date, with Merlin (the "Put and Call Agreement"). Chicago FM's and RLH's obligations under the Put and Call Agreement are guaranteed by Debtor Cumulus Media Holdings Inc. Finally, Chicago FM is party to that certain talent agreement, dated as of March 30, 2015, with American Patriot, LLC, pursuant to which

American Patriot, LLC provides Chicago FM with certain on-air talent for the Merlin Stations (the "Talent Agreement" and, collectively with the LMA and the Put and Call Agreement, the "Merlin Agreements").

7. As described in greater detail below, each of the Merlin Agreements are economically detrimental to the Debtors' estates.

i. The LMA

8. Under the terms of the LMA, Merlin, as the owner of the Merlin Stations, licensed certain radio station assets to Chicago FM to permit Chicago FM to operate the Merlin Stations and retain any revenue generated thereby. In exchange, Chicago FM pays Merlin, among other things, a monthly fee, which is currently equal to approximately $600,000/month (the "LMA Fee").

9. Despite Chicago FM's intent to realize a profit from the LMA, it was unprofitable, net of the LMA Fee, almost immediately after being executed on the Commencement Date and has remained so. In calendar year 2014, the Merlin Stations lost approximately $1.5 million net of the LMA Fee. Losses were $0.8 million in 2015, $1.1 million in 2016, and then increased to $5.1 million in 2017. The Merlin Stations' cumulative losses have totalled approximately $8.4 million to date. Chicago FM has realized these losses because the monthly LMA Fees payable to Merlin, together with the operating costs associated with the Merlin Stations, which include expenses related to employees, as well as selling, general, and administrative expenses, exceed the revenue generated by the Merlin Stations. Operating the Merlin Stations under the current LMA will likely continue to be unprofitable for the foreseeable future. Moreover, upon rejection of the Put and Call Agreement, the Debtors will no longer benefit by reducing the Put Price (as defined below) by the amount of any LMA Fees they may

pay, which would otherwise offset the negative economic impact of the LMA Fees on the Debtors' estates.

ii. The Put and Call Agreement

10. At the same time that the parties entered into the LMA, they also executed the Put and Call Agreement, pursuant to which Chicago FM and RLH had the right to "call," or purchase, the Merlin Stations from Merlin until October 5, 2017 for the greater of (i) $70.0 million minus the aggregate amount of LMA Fees paid by Chicago FM on or prior to the earlier of the closing date or the date that is four years after the Commencement Date; or (ii) $50.0 million. Conversely, Merlin had the right to "put," or sell, the Merlin Stations to Chicago FM and RLH at any time during a ten business day period commencing October 6, 2017 for $71.0 million, minus the aggregate amount of LMA Fees paid by Chicago FM on or prior to the earlier of the closing date and January 3, 2018, which amounts to approximately $50 million (the "Put Price").[3]

11. Chicago FM and RLH did not exercise the call option to purchase the Merlin Stations on or prior to October 5, 2017. However, on October 6, 2017, Merlin notified Chicago FM that it was exercising the right to require Chicago FM and RLH to acquire the Merlin Stations for the Put Price.

[3] Pursuant to section 2.6 of the Put and Call Agreement, Chicago FM and RLH were permitted, subject to certain conditions, to satisfy their obligation to pay the Put Price in either cash, Stock (as defined in the Put and Call Agreement) or a combination of the two. In light of this ability to pay the Put Price in, among other things, common stock of Cumulus Media Inc., any damage claims arising from rejection of the Put and Call Agreement may be subject to subordination pursuant to section 510(b) of the Bankruptcy Code. However, the Court does not need to assess, and the Debtors are not requesting, a determination regarding the nature, extent and/or priority of any unsecured claims arising from rejection of the Merlin Agreements in the context of the instant Motion. Nothing in this Motion or the Abbot Declaration shall constitute a waiver or admission by the Debtors with respect to such issues, and all such rights are expressly reserved.

12. The Put Price is in excess of the fair market value of the Merlin Stations, and it would therefore be economically disadvantageous for Chicago FM and RLH to assume the Put and Call Agreement and retain control of the Merlin Stations in exchange for the Put Price.

13. Finally, given the Debtors' decision to reject the Put and Call Agreement and the LMA Agreement, the Debtors will no longer benefit from the Talent Agreement, which only provides value to the Debtors' estates in the context of operating the Merlin Stations.

14. Based on all of the foregoing, it is the Debtors' business judgment that the Merlin Agreements should be rejected.

Conclusion

15. Therefore, for the reasons stated herein and in the Rejection Motion filed concurrently with this Declaration, I respectfully request that the Rejection Motion be granted in its entirety, together with such other and further relief as this Court deems just and proper.

16. I certify under penalty of perjury that, based upon my knowledge, information and belief as set forth in this Declaration, the foregoing is true and correct.

Dated: January 18, 2018

/s/ John F. Abbot
John F. Abbot
Executive Vice President and
Chief Financial Officer
Cumulus Media Inc.