

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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

STIPULATION AND AGREED ORDER REGARDING THE MERLIN AGREEMENTS

WHEREAS, on January 18, 2018, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), filed their motion (the “Motion”)² 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 [Docket No. 299], all as more fully set forth in the Motion;

WHEREAS, following discussions between the Debtors and Merlin (each a “Party” and collectively, the “Parties”), the Parties agreed to (i) terminate the Put and Call Agreement and (ii) amend the LMA pursuant to the terms and conditions of the First Amendment to the Local Marketing Agreement, dated as of February 1, 2018 (the “LMA Amendment”), a copy of which is attached hereto as Exhibit A.

WHEREAS, in connection with entering into the LMA Amendment and subject to the terms thereof, each Party has agreed to release the other Party of any and all liabilities or claims

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.

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

relating to the Merlin Agreements, including the termination and breach thereof (the “Release”), as of the date of this order (the “Agreed Order”).

WHEREAS, the Debtors believe that entry into the LMA Amendment is appropriate, a valid exercise of their business judgment and in the best interests of their estates and creditors;

WHEREAS, the Parties agree to the terms and conditions relating to the LMA Amendment, the Release and the termination of the Put and Call Agreement set forth in this Stipulation and Agreed Order.

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED AND ORDERED THAT:

1. The Put and Call Agreement is hereby terminated, and the Debtors shall have no obligations or liability to Merlin under, pursuant to or in connection with the Put and Call Agreement, including, without limitation, any obligations or liability relating to the breach or termination of the Put and Call Agreement and/or obligations or liability relating to any purchase obligations set forth in the Put and Call Agreement.
2. Chicago FM and Cumulus Media Holdings Inc are authorized to enter into and perform under the LMA Amendment.
3. Notwithstanding the automatic stay provisions of section 362 of the Bankruptcy Code, the Parties are hereby authorized to take all actions contemplated under the LMA Amendment without the need for further order of the Court, including, without limitation, exercising their rights to terminate the LMA in accordance with the terms of the LMA Amendment.
4. Except as otherwise expressly provided in Section 2 of the LMA Amendment, each Party hereby waives, discharges, and releases any and all claims, obligations,

suits, judgments, damages, demands, debts, rights and liabilities against the other Party, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or hereafter arising, in law, equity or otherwise that arise out of or are based in whole or in part on any act, omission, transaction, event or other occurrence in any way related to the Merlin Agreements that exists or is deemed to exist on or prior to the date of this Agreed Order. For the avoidance of doubt, this includes a waiver and release of any claims relating to the Debtors' failure to pay the Purchase Price (as defined in the Put and Call Agreement) or to satisfy any other obligation, including any other monetary obligation, arising under the Put and Call Agreement and/or LMA prior to the date hereof.

5. Nothing contained herein 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.

6. 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).

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

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Agreed Order including, without limitation, the LMA Amendment.

Dated: January 31, 2018
New York, New York

Dated: January 31, 2018
New York, New York

Cumulus Media Inc., et al.
Debtors and Debtors in Possession
By their Counsel
Paul, Weiss, Rifkind, Wharton & Garrison LLP

Merlin Media, LLC
Merlin Media License, LLC
By their Counsel
Latham & Watkins LLP

By: /s/ Paul M. Basta
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

By: /s/ Roger G. Schwartz
Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Telephone: (212) 906-1766

SO ORDERED this 1st day of February, 2018 in New York, New York

/S/ Shelley C. Chapman
THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

The LMA Amendment

FIRST AMENDMENT TO LOCAL MARKETING AGREEMENT

This FIRST AMENDMENT TO LOCAL MARKETING AGREEMENT (“First Amendment”) is made as of the 1st day of February, 2018, by and among Merlin Media, LLC (“MM”), Merlin Media License, LLC (“MML,” and with MM, sometimes referred to hereinafter collectively as “Licensee”), Chicago FM Radio Assets, LLC (“Programmer”) and Cumulus Media Holdings, Inc. (“Cumulus Media”).

WHEREAS, Licensee, Cumulus Media and Programmer entered into that certain Local Marketing Agreement dated as of January 2, 2014 (the “Original Agreement”). All capitalized terms used and not defined herein have the respective meanings set forth in the Original Agreement.

WHEREAS, on November 29, 2017, Programmer, together with certain of its affiliates (collectively, the “Debtors”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).

WHEREAS, on January 18, 2018, the Debtors filed the *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* [Docket No. 229] (the “Rejection Motion”).

WHEREAS, after the Debtors filed the Rejection Motion, Licensee and Programmer agreed to certain terms pursuant to which, among other things, (i) the Put and Call Agreement would be terminated, (ii) Programmer would continue to provide programming, sales and operational assistance for the Stations under the terms of the Original Agreement as amended, modified and supplemented herein, and (iii) Licensee and the Debtors would mutually release certain liabilities and claims against and among themselves relating to the Put and Call Agreement and the Original Agreement, all as more fully set forth in the Agreed Order and Stipulation (the “Rejection Order”).

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments to the Original Agreement

(a) The first WHEREAS clause of the Original Agreement is deleted in its entirety and replaced with the following:

WHEREAS, MML holds licenses and other authorizations (collectively, the “FCC Licenses”) from the Federal Communications Commission (the “FCC”) for radio stations WLUP-FM, Chicago, Illinois, FCC Facility ID Number 73233, and WKQX(FM), Chicago, Illinois, FCC Facility ID Number 19525 (each a “Station” and collectively, the “Stations”); and

(b) Section 1.1 of the Original Agreement is deleted in its entirety and replaced with the following:

Term. The term of this Agreement (the “Term”) shall commence at 12:01 a.m. Central Standard Time, on January 3, 2014 (the “Commencement Date”), and shall continue in force until the earlier of (i) April 30, 2018 (such date, as it may be extended pursuant to this Section 1.1, the “Expiration Date”) and (ii) the date that this Agreement is terminated in accordance with Section 7 hereof; *provided, however* that Programmer and Licensee, each acting in their sole and absolute discretion, may mutually agree in a writing executed by each party on or prior to April 30, 2018 to extend the Expiration Date by three months, whereupon the Expiration Date shall automatically be extended to July 31, 2018; *provided further, however*, that Programmer and Licensee, each acting in their sole and absolute discretion, may mutually agree in a writing executed by each party on or prior to July 31, 2018 to further extend the Expiration Date by three months, whereupon the Expiration Date shall automatically be extended to October 31, 2018 (the “Outside Date”).

(c) Section 1.3(b) of the Original Agreement is deleted in its entirety and replaced with the following:

(b) Programmer shall reimburse Licensee for reasonable costs and expenses in connection with the operation of the Stations in accordance with Attachment II annexed hereto (collectively, the “Reimbursement Obligations”); *provided, however*, that, beginning on February 1, 2018, in no event shall Programmer be responsible for paying or otherwise reimbursing any Reimbursement Obligations incurred on or after February 1, 2018 that exceed, in the aggregate, fifteen thousand (\$15,000.00) per applicable Station per calendar month (the “Expense Cap”); *provided, further, however*, that in no event shall the Reimbursement Obligations include any costs and expenses relating to the Put and Call Agreement. Notwithstanding anything herein to the contrary (but subject to Section 2 of the First Amendment), Programmer shall have no obligation to reimburse Licensee for any expenses other than the Reimbursement Obligations, subject in all respects to the Expense Cap, or to pay Licensee any other fees, costs, expenses or other amounts for the right to broadcast programming on the Stations. Programmer shall make all payments with respect to the Reimbursement Obligations within 30 days following the incurrence of such costs and expenses by Licensee and delivery of written notice thereof from Licensee to Programmer.

(d) Section 7.1(a) of the Original Agreement is deleted in its entirety and replaced with the following:

7.1 Bases for Termination.

(a) This Agreement shall be terminated upon the occurrence of any of the following circumstances (with the understanding that, in the case of clauses (ii) and (iii), the party seeking to terminate the Agreement is not then in material breach of any representation, warranty, or obligation hereunder):

(i) subject to the provisions of Section 9.7, by either party if this Agreement is declared invalid or illegal in whole or material part by an order or decision of a governmental authority or court of competent jurisdiction and such order or decision has not been stayed or has become final (meaning that it is no longer subject to further administrative or judicial reconsideration or review and the time periods for requesting or initiating such review under applicable law or government regulation have expired without such request having been made);

(ii) by Licensee, if Programmer is in material breach of its representations, warranties or obligations under this Agreement and has failed to cure such breach within ten (10) days of notice from Licensee;

(iii) by Programmer, if Licensee is in material breach of its representations, warranties, or obligations under this Agreement and has failed to cure such breach within ten (10) days of notice from Programmer;

(iv) with the mutual written consent of both parties;

(v) subject to the provisions of Section 9.7, by Licensee or Programmer, if there is a material change in the Communications Laws that would cause this Agreement to be in material violation thereof, and (x) such change has become final and is no longer subject to further administrative or judicial reconsideration or review and (y) this Agreement cannot be reformed in a manner reasonably acceptable to Programmer and Licensee, to remove and/or eliminate the violation; or

(vi) by Programmer, in its sole discretion, with respect to the rights and obligations herein with respect to a particular Station or the Agreement in its entirety, upon ten (10) business days prior written notice to Licensee, if Licensee or any of its affiliates execute one or more agreements to sell, assign or otherwise transfer any of their respective interests in one or both of the Stations;

(vii) by Licensee, in its sole discretion, with respect to the rights and obligations herein with respect to a particular Station or the Agreement in its entirety, upon ten (10) business days prior written notice to Programmer, if Licensee or any of its affiliates execute one or more agreements to sell, assign or otherwise transfer any of their respective interests in one or both of the Stations; and

(viii) automatically, without further action or notice by either party, at 11:59 p.m., Central Standard Time on the Expiration Date.

(e) Section 7.1(b) of the Original Agreement is deleted in its entirety and replaced with the following:

During any period prior to the effective date of any termination of this Agreement, Programmer and Licensee shall cooperate in good faith to prepare for the transition of the Stations (or a Station, as the case may be) to Licensee; *provided, however*, the parties acknowledge and agree herein that Programmer will determine, in its sole discretion, which of the Stations' employees will be made available to be transferred along with the Stations, which employees will remain employees of the Programmer, and Licensee shall have no rights with respect to any such employees.

(f) Section 7.1(c) of the Original Agreement is deleted in its entirety and replaced with the following:

Notwithstanding any other provision of this Section 7.1, in the event of a termination under any of Sections 7.1(a)(i), (ii) or (iii), either party may by notice to the other party extend the effective time of such termination for a period not to exceed sixty (60) days in order to effect the transition of the operations of the Stations from Programmer to Licensee and the rights and obligations of the parties shall continue until such effective time.

(g) Section 7.3 of the Original Agreement is deleted in its entirety and replaced with the following:

7.3 Other Agreements. (a) During the Term of this Agreement, neither Licensee nor Programmer will enter into any other agreement with any third party that would conflict with or result in breach of this Agreement by Licensee or Programmer; *provided, however*, that Licensee may enter into an agreement with a third party to sell, assign or otherwise transfer its interests in one or both of the Stations so long as Licensee notifies Programmer in writing within twenty-four (24) hours of executing any such agreement.

(b) During the term of this Agreement, Programmer shall use commercially reasonable efforts to provide Licensee with such commercially reasonable cooperation as is reasonably requested by Licensee in connection with the sale or other disposition of the Stations. Programmer and Licensee agree that such commercially reasonable cooperation shall include (i) providing Licensee with a list of the assets of Programmer owned and used, in each case solely in connection with operating the Stations during the six months prior to the date hereof and (ii) providing Licensee and any potential acquirer of any Station, and Programmer shall use its commercially reasonable efforts to do so within three (3) business days of request by Licensee, with such financial information related to such Station as is reasonably requested by Licensee or such acquirer, which financial information shall include historical financial statements (including income statements and balance sheets, but excluding any accounts receivable ledgers and aging detail) and ratings reports for such Station; *provided, however*, that nothing in this Section 7.3(b) shall require Programmer to take any action or provide any information to the extent such action is (x) prohibited by applicable law or government regulation or (y) prohibited by, or would constitute a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document to which Programmer or any of its affiliates is a

party; *provided, further, however*, that Programmer shall not be required to provide any information in accordance with this Section 7.3(b) unless any party receiving such information has entered into a confidentiality agreement with Licensee on customary terms and naming Programmer as a third party beneficiary entitled to enforce the confidentiality obligations of such agreement.

(h) Section 9.3 of the Original Agreement is modified and supplemented as follows:

9.3 Entire Agreement. This Agreement (including the Attachments hereto) and the Rejection Order embody the entire agreement and understanding of the parties relating to the subject matter hereof and supersedes any and all prior and contemporaneous agreements and understandings of the parties. No amendment to this Agreement will be effective unless evidenced by an instrument in writing signed by the parties.

(i) Section 9.6 of the Original Agreement is modified by deleting the notice address for Programmer and replacing it with the following:

To Programmer:

Chicago FM Radio Assets, LLC
Suite 2200
3280 Peachtree Road, N.W.
Atlanta, Georgia 30305
Attention: Richard S. Denning
Facsimile: (404) 260-6877
Email: richard.denning@cumulus.com

With copy to:

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019
Attention: Jacob A. Adlerstein
Facsimile: (212) 492-0142
Email: jadlerstein@paulweiss.com

and

Jones Day
1420 Peachtree Street NE, Suite 800
Atlanta, GA 30309
Attention: William B. Rowland
Facsimile: (404) 581-8330
Email: wbrowland@jonesday.com

and

Pillsbury Winthrop Shaw Pittman LLP
2300 Street NW
Washington, DC 20037
Attention: Lewis J. Paper
Facsimile: (202) 663-8007
Email: lew.paper@pillsburylaw.com

(j) Section 9.6 of the Original Agreement is modified by deleting the first paragraph of the notice address for Licensee and replacing it with the following:

To Licensee: Merlin Media, LLC
Merlin Media License, LLC
455 N. Cityfront Plaza Drive
Suite 1700
Chicago, Illinois 60611
Attention: Jerome L. Kersting
Facsimile: (312) 245-9785
Email: hijerry@aol.com

(k) Section 9.14 of the Original Agreement is deleted in its entirety.

(l) Attachment I of the Original Agreement is deleted in its entirety.

2. Reimbursement Obligations. Programmer hereby covenants and agrees to pay as promptly as practicable to Licensee the amount of all Reimbursement Obligations incurred by Licensee through January 31, 2018.

3. Counterparts. This First Amendment may be executed in counterparts, and all of such counterparts, when taken together, shall constitute an original executed copy.

4. Integration. The Original Agreement, as amended, modified and supplemented by this First Amendment and the Rejection Order, constitute the full agreement between the parties with respect to the transaction contemplated herein, and all prior understandings and agreements are merged into this Agreement. From and after the date this First Amendment is executed, each reference in the Original Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Original Agreement shall mean and be a reference to the Original Agreement as amended by this First Amendment

5. Amendments. This First Amendment shall, upon entry of the Rejection Order, be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No amendment, modification, supplement, termination or waiver of or to any provision of this First Amendment shall be effective unless the same shall be in writing and entered into in accordance with the Original Agreement.

6. Governing Law. This First Amendment shall be governed by the laws of the State of Delaware without regard to conflict of law principles.

[Signatures on the following page]

IN WITNESS WHEREOF, this First Amendment was executed as of the day and year first above written.

LICENSEE

MERLIN MEDIA, LLC

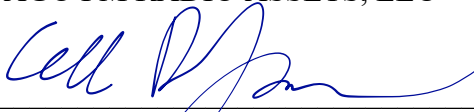
By: _____
Name:
Title:

By: MERLIN MEDIA LICENSE, LLC

By: _____
Name:
Title:

PROGRAMMER:

CHICAGO FM RADIO ASSETS, LLC

By:  _____
Name: Collin Jones
Title: SVP, Corporate Development & Strategy

Acknowledged and agreed to by Cumulus Media Holdings Inc. solely for purposes of the effectiveness of this First Amendment pursuant to Section 9.3 of the Original Agreement:

CUMULUS MEDIA HOLDINGS, INC.

By:  _____
Name: Collin Jones
Title: SVP, Corporate Development & Strategy

IN WITNESS WHEREOF, this First Amendment was executed as of the day and year first
above written.

LICENSEE

MERLIN MEDIA, LLC

By: 

Name:

Title:

By: MERLIN MEDIA LICENSE, LLC

By: 

Name:

Title:

PROGRAMMER:

CHICAGO FM RADIO ASSETS, LLC

By: _____

Name:

Title:

Acknowledged and agreed to by Cumulus Media Holdings Inc. solely for purposes of the
effectiveness of this First Amendment pursuant to Section 9.3 of the Original Agreement:

CUMULUS MEDIA HOLDINGS, INC.

By: _____

Name:

Title: