



## CAUSE NO. 2016 CI 04006

IHEARTCOMMUNICATIONS, INC.,	§	IN THE DISTRICT COURT OF
f/k/a CLEAR CHANNEL	§	
COMMUNICATIONS, INC.,	§	
	§	
Plaintiff,	§	
	§	BEXAR COUNTY, TEXAS
V.	§	
	§	
BENEFIT STREET PARTNERS LLC,	§	
ET AL.,	§	
	§	
Defendants.	§	285th JUDICIAL DISTRICT

**FINAL JUDGMENT**  
**GRANTING DECLARATORY JUDGMENT AND PERMANENT INJUNCTION**

This matter comes before the Court on Plaintiff iHeartCommunications, Inc.'s ("iHeart") First Amended Petition for a Temporary Restraining Order, Temporary Injunction, Permanent Injunction, and Declaratory Relief, filed in this Court on March 8, 2016. Defendants are Franklin Advisers, Inc., on behalf of certain investment funds managed by it ("Franklin Advisers"); Oz Management LP, on behalf of certain investment funds managed by it, and Oz Management II LP, on behalf of certain investment funds managed by it (the "Och-Ziff Defendants"); and Benefit Street Partners, LLC, Providence TMT Debt Opportunity Fund II LP, Providence Debt Fund III Master (Non-US) LP, Providence Debt Fund III, LP, Benefit Street Partners Capital Opportunity Fund LP, PECM Strategic Funding LP, Benefit Street Credit Alpha Fund Ltd., US High Yield Bond Fund, SEI Institutional Investments Trusts – High Yield Bond Fund, SEI Global Master Fund PLC – The SEI High Yield Fixed Income Fund, and Schroder GAIA (the "Benefit Street Defendants")<sup>1</sup>.

<sup>1</sup> On May 6, 2016, iHeart non-suited without prejudice all claims against Defendants Canyon Capital Advisors LLC, D.E. Shaw Galvanic Portfolios, LLC, M.H. Davidson & Co., Davidson Kempner Partners, Davidson Kempner International, Ltd., Davidson Kempner Institutional Partners, L.P., Islington Partners, L.P., Bluejay Securities LLC,

On December 3, 2015, iHeart caused one of its subsidiaries to make a capital contribution to another subsidiary, Broader Media, LLC, in the form of 100,000,000 shares of Class B Common Stock of Clear Channel Outdoor Holdings, Inc. (hereinafter the “Capital Contribution”).

On March 7, 2016, Defendants issued Notices of Default on four series of iHeart’s Priority Guarantee Notes (“Notes”): the 9.0% Notes Due in 2019, the 9.0% Notes Due in 2021, the 9.0% Notes Due in 2022, and the 10.625% Notes Due in 2023. Defendants also threatened to issue Notices of Default on another series of the Notes: the 11.25% Notes Due in 2021.

On March 9, 2016, the Court entered a Temporary Restraining Order and Order To Show Cause that temporarily rescinded the Notices of Default. That Order was extended by agreement of the Parties until the conclusion of the trial on the merits.

From May 16 through May 20, 2016, the Court conducted a bench trial and heard arguments and evidence from Plaintiff iHeart and Defendants Franklin Advisers, the Och-Ziff Defendants, and the Benefit Street Defendants. The parties also agreed to incorporate the record from the hearing on the Petition for a Temporary Injunction held on April 4 and April 5, 2016 and the Court admitted the transcript of those proceedings as PX-412.

**In consideration of the arguments, pleadings and memoranda of counsel, the evidence admitted at trial, and applicable law, the Court now makes the following rulings:**

IT IS ORDERED AND DECLARED THAT:

1. iHeart’s First Amended Petition for Declaratory Judgment is GRANTED.
2. It is hereby declared that:

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Franklin Mutual Advisers, LLC, Taconic Opportunity Master Fund L.P., Taconic Master Fund 1.5 L.P., Watershed Capital Partners (Offshore) Master Fund, L.P., Watershed Capital Partners (Offshore) Master Fund II, L.P., Watershed Capital Partners (Offshore) Master Fund III, L.P., Watershed Capital Partners (Offshore) Master Fund IV, L.P., Watershed Capital Institutional Partners III, L.P., and Wingspan Investment Management, LP.

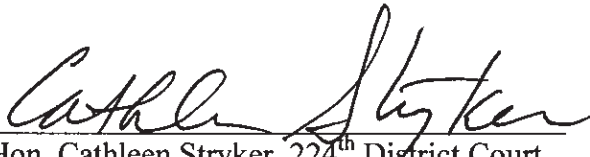
- a. iHeart is not in default under the Indentures governing the Notes as a result of the Capital Contribution;
- b. The Capital Contribution did not violate the Indentures governing the Notes;
- c. The Capital Contribution was an Investment and a Permitted Investment under the Indentures governing the Notes; and
- d. The Capital Contribution is not a basis for Defendants to accelerate the Notes under the Indentures governing the Notes.

IT IS FURTHER ORDERED THAT:

1. iHeart's First Amended Petition for a Permanent Injunction is GRANTED .
2. Defendants and each of them, and all person(s) or entities acting upon their behalf or in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby ordered and permanently enjoined as follows, which is necessary to prevent imminent and irreparable harm to iHeart:
  - a. The Notices of Default that were issued on March 7, 2016, are hereby permanently rescinded, and;
  - b. Defendants and each of them, and all person(s) or entities acting upon their behalf or in active concert or participation with them who receive actual notice of this order by personal service or otherwise, are hereby ordered and permanently enjoined from issuing or threatening to issue Notice(s) of Default as a result of the Capital Contribution.
3. The Temporary Restraining Order entered on March 9, 2016, as extended over time, is hereby deemed expired and terminated and superseded by the Permanent Injunction granted herein.

4. This is a final judgment.

Signed on this 24<sup>th</sup> day of May 2016.

  
Hon. Cathleen Stryker, 224<sup>th</sup> District Court

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