

**2017 iHeartCommunications, Inc.  
First Lien Loans Bullet LCDS Auction Settlement Terms  
Settlement Advisory**

February 1, 2017

We refer to the 2017 iHeartCommunications, Inc. First Lien Loans Bullet LCDS Auction Settlement Terms (the “Auction Terms”), and the LCDS Physical Settlement Terms as defined therein and attached as Schedule 3 thereto (the “Settlement Terms”), each as published by ISDA on January 31, 2017.

**BACKGROUND**

An auction will be held on February 2, 2017 to determine the price at which outstanding single-name and index bullet loan credit default swap (“LCDS”) transactions will settle following the Credit Event relating to iHeartCommunications, Inc. (“iHeart”). While physically settled LCDS transactions typically settle on LSTA distressed documentation, the Settlement Terms provide that physically settled transactions that are created by matching physical settlement requests and limit orders submitted in the iHeart auction (“iHeart Auction-Generated Trades”) will settle on LSTA par documentation in order to retain consistency with the current market convention governing the purchase and sale of iHeart loans.

The Settlement Terms contain the contractual language that will govern all iHeart Auction-Generated Trades. Due to the potential for confusion regarding these terms where parties intend to settle iHeart Auction-Generated Trades on an electronic settlement platform, set forth below is a summary of key terms and recommendations for implementing those terms on a platform.

**SUMMARY OF KEY TERMS AND RECOMMENDATIONS**

**Trade Details:**

For purposes of entering trade details into the relevant platform, the following are the key terms of trade applicable to all iHeart Auction-Generated Trades:

Trade Date:	February 2, 2017
Purchase Rate:	The Final Price for the iHeart LCDS Auction to be announced on February 2, 2017 at the following link: <a href="http://www.creditfixings.com">www.creditfixings.com</a>
Purchase Amount:	The outstanding principal amount (or commitment amount (if applicable)) identified in the Notice of Physical

	Settlement relating to the transaction (“NOPS”)
Credit Agreement:	The credit agreement relating to the Deliverable Obligation identified in the NOPS
Form of Purchase:	Assignment

No Execution of Confirmation:

An LSTA Par/Near Par Trade Confirmation, together with the Standard Terms and Conditions for Par/Near Par Trade Confirmations (the “Standard Terms”), is deemed effective and applicable to each iHeart Auction-Generated Trade, with the elections identified in Section 1(a) of the Settlement Terms, including the key trade details set forth above. A paper confirmation is not intended to be generated or executed in connection with iHeart Auction-Generated Trades.

Because any electronic settlement platform will automatically generate a trade confirmation, we recommend that where parties settle an iHeart Auction-Generated Trade on such a platform:

- The parties not execute the trade confirmation generated by the relevant platform; and
- The loan seller agree to “override” the Buyer Settlement Platform Requirements (as defined in the Standard Terms) relating to delayed compensation if the loan buyer does not execute the trade confirmation, provided that the loan buyer has complied with all other Buyer Settlement Platform Requirements (including execution of the Assignment Agreement and payment of the purchase price by the relevant deadline).

Delivery and Payment Deadlines:

Section 1 of the Settlement Terms contains delivery and payment deadlines that apply in addition to the delayed compensation delivery and payment deadlines reflected in the Standard Terms. Where any such deadlines are inconsistent, the parties should comply with the earlier deadline.

Please feel free to call Fred Quenzer (212-901-6052) at ISDA, or Jennifer Grady (212-530-1893) or Richard Lee (212-530-1937) at Richards Kibbe & Orbe LLC, with any questions.