Primary assumptions:

- **ole's latest offer requests we close the catalog sale by December 31, 2014**

- **In order to achieve this, all required steps with S/ATV would need to be completed by December 18th**

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1. **Administration of 1993-2012 catalog – request to terminate that agreement on December 31, 2015 rather than December 31, 2017**

   ▫ Projected value of the two years of administration that S/ATV will forego is an NPV $2.1 million; ole has offered SPE $2 million for this amendment (note: it is anticipated that this payment will not be subject to a deduction for participations)

   ▫ ole seeks to retain the $7 million advance they would receive against this catalog's NPS paid by S/ATV in 2015 (consistent with terms of the current agreement); note that it is anticipated that this advance would be recouped by S/ATV within approximately 6 months

   ▫ Required steps:
     - Inform S/ATV
     - ole and S/ATV revise the existing agreement to reflect new end date (contingent on 2013/2014 catalog sale closing) and obtain required signatures

2. **Administration of 2013-2014 catalog – S/ATV admin ends after sale (either December 31, 2014 or June 30, 2015)**

   ▫ Projected value of the 2.5-3 years of administration that S/ATV will forego is an NPV $700,000-900,000; ole has offered SPE $1 million for this condition (note: it is anticipated that this payment will not be subject to a deduction for participations)

   ▫ Required steps:
     - Inform S/ATV
     - SPE and S/ATV revise the existing admin deal to extend through 2014 and end on December 31, 2014, and negotiate a new one for 2015 and beyond (expected to be similar to the one SPE began with S/ATV in 2013)

3. **Potentially settling EMI issues with S/ATV (pending litigation?) – proposed by ole as a sweetener**

   ▫ Co-mingling this issue with the catalog sale could potentially delay/complicate the closing of the sale

4. **Minor additional point: S/ATV holds the advance we get from Hal Leonard on sheet music for the 2013-2014 catalog; this is only $17,500 but we will need to transfer that back to Hal Leonard**