IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

CITY OF PINELLAS PARK FIREFIGHTERS PENSION BOARD, derivatively on behalf of nominal defendant CLEAR CHANNEL OUTDOOR HOLDINGS, INC., Plaintiff, v. MARGARET W. COVELL, BLAIR E. HENDRIX, DOUGLAS L. JACOBS, DANIEL G. JONES, MARK P. MAYS, RANDALL T. MAYS, ROBERT PITTMAN, THOMAS R. SHEPHERD, MARSHA M. SHIELDS, CHRISTOPHER M. TEMPLE, DALE W. TREMBLAY, SCOTT R. WELLS, JAMES C. CARLISLE, CLEAR CHANNEL COMMUNICATIONS, INC., BAIN CAPITAL PARTNERS, LLC AND THOMAS H. LEE PARTNERS, L.P. Defendants, and CLEAR CHANNEL OUTDOOR HOLDINGS, INC, a Delaware corporation Nominal Defendant.	C.A. No. _________

VERIFIED SHAREHOLDER DERIVATIVE COMPLAINT

Plaintiff, City of Pinellas Park Firefighters Pension Board ("Pinellas Park" or "Plaintiff"), for its derivative complaint on behalf of nominal defendant Clear Channel Outdoor Holdings, Inc. ("Outdoor" or the "Company"), makes the following allegations upon Plaintiff's personal knowledge with regard to itself and its own acts and upon information and belief as to all other matters. Based on the allegations in this Verified Shareholder Derivative Complaint (the "Complaint"), Plaintiff asserts derivative claims for breach of fiduciary duty against Margaret W. Covell, Blair E. Hendrix, Douglas L. Jacobs, Daniel G. Jones, Mark P. Mays, Randall T. Mays, Robert Pittman, Thomas R. Shepherd, Marsha M. Shields, Christopher M. Temple, Dale W. Tremblay and Scott R. Wells (collectively, the "Individual Defendants" or "Director Defendants") on behalf of Outdoor.

INTRODUCTION

1. This derivative lawsuit arises from the decision by Outdoor's controlling shareholder, Clear Channel Communications, Inc. ("CCC"), to compel the Individual Defendants to approve a $1.0 billion unsecured loan (the "Loan") by Outdoor to CCC on terms so incredibly favorable to CCC that no rational third-party would have ever agreed to lend money on such terms. Not only could Outdoor earn twice as much interest on the Loan if it charged CCC a commercially reasonable interest rate, but Outdoor faces a severe risk that the unsecured loan will never be paid back because CCC has been drowning under a massive debt load since its 2008 leveraged buyout ("LBO" or "Buyout").

2. Outdoor is controlled by media conglomerate CCC. CCC, through a subsidiary, owns 89% of Outdoor's outstanding common stock and holds approximately 99% of Outdoor's outstanding voting power through high vote shares.

3. In 2008, Bain Capital Partners, LLC ("Bain") and Thomas H. Lee Partners, L.P. ("THL") took CCC private in a $24 billion leveraged buyout. The Buyout saddled CCC with more than $18 billion in debt. This debilitating debt load has caused concern that CCC could default on its obligations and CCC is currently at risk of going into bankruptcy. Doubts about CCC's financial health have made it extremely difficult for CCC to raise capital. Currently, a

company with CCC's credit risk profile would be required to pay 17.5% per year in interest on its unsecured borrowings.

4. In the normal course, private equity buyers who over-levered a company the way sophisticated players did to CCC would face a stark choice; commit more of their own equity to stabilize the business or file for bankruptcy. In this case, however, Bain and THL found a different solution: forcing Outdoor and its public shareholders to become an involuntary source of capital.

5. To provide much needed liquidity, CCC has abused its position as the controlling shareholder of Outdoor. At CCC's directive, the Individual Defendants agreed to provide CCC with an unsecured $650 million loan at a 9.25% rate of interest, approximately half the rate at which any market participant is willing to lend to CCC. Outdoors has publicly disclosed that it expects the size of the Loan to balloon to over $1 billion in the next few years.

6. CCC is plagued by debt and could be forced into bankruptcy unless it is able to restructure its debt burden. In the event of a CCC bankruptcy, the unsecured Loan would provide Outdoors with only general creditor status. In most bankruptcies general creditors receive only pennies on the dollar. Moreover, Outdoors concedes that the Company could experience a "liquidity shortfall" in the event CCC were to become insolvent.

7. In late 2011, one of Outdoor's shareholders questioned the Board regarding the propriety of the Loan. Instead of conducting a legitimate review of the Loan, the Board told the shareholder that the Company could not unilaterally modify or eliminate the contractual obligations under the Loan. The Board's response is simply untrue. The Loan is payable on demand and if the Board was concerned with the public shareholders' best interest, the Board would demand immediate repayment.

8. Because the Loan has depleted the Company's cash reserves so significantly, Outdoor has recently been forced to borrow $2 billion to fund a $6.08 special dividend to its shareholders (the "Dividend") (89% of which obviously is upstreamed to CCC). If the Individual Defendants had not allowed CCC to exploit the Company's cash reserves to the tune of nearly a billion dollars, Outdoor would not have to incur such substantial indebtedness (and concomitant interest expense) to pay the Dividend.

9. This litigation seeks redress on behalf of Outdoor, so that its controlling shareholder, the private equity firms that own and control the controlling shareholder, and Outdoor's current and former directors who approved the Loan are held responsible for the severe damage they have inflicted on the Company.

JURISDICTION

10. This Court has jurisdiction over this action pursuant to 10 Del. C. § 341.

11. As directors of a Delaware corporation, the Individual Defendants have consented to the jurisdiction of this Court pursuant to 10 Del. C. § 3114.

12. This Court has jurisdiction over Outdoor pursuant to 10 Del. C. § 3111.

THE PARTIES

13. Plaintiff Pinellas Park is currently a shareholder of Outdoor and has been a shareholder of Outdoor at all times relevant to the claims asserted herein.

14. Nominal Defendant Outdoor provides clients with advertising opportunities through billboards, street furniture displays, transit displays and other out-of-home advertising displays, such as wallscapes, spectaculars, neons and mall displays, which the Company owns or operates in global markets. As of December 31, 2011, the Company owned or operated more than 750,000 advertising displays globally. During the year ended December 31, 2011, the

Company operated in two business segments: Americas outdoor advertising (Americas) and International outdoor advertising (International), which represented 44% and 56% of its revenue, respectively. Outdoor is incorporated under the laws of the State of Delaware, with its principal executive offices located at 200 East Basse Road, San Antonio, Texas. The Company is publicly traded on the New York Stock Exchange under the ticker symbol “CCO.”

15. Defendant Margaret W. Covell (“Covell”) served as a member of the Outdoor Board from August 2008 to January 2012. Covell is a managing director in THL’s Strategic Resource Group, which works in collaboration with senior management and THL investment professionals to drive value at portfolio companies.

16. Defendant Blair E. Hendrix (“Hendrix”) has served as a member of the Outdoor Board since August 2008. Hendrix is a managing director of Bain and one of the leaders of the firm’s operationally focused Portfolio Group.

17. Defendant Douglas L. Jacobs (“Jacobs”) has served as a member of the Outdoor Board since May 2010.

18. Defendant Daniel G. Jones (“Jones”) has served as a member of the Outdoor Board since August 2008. Jones is a director at THL and is part of the firm’s Strategic Resources Group, which works in collaboration with senior management and THL investment professionals to drive value at portfolio companies.

19. Defendant Mark P. Mays (“M. Mays”) has served as Chairman of the Outdoor Board since 2009, and was Chief Executive Officer of the Company from August 2005 through March 2011. Mays has been a member of the Outdoor Board since 1997, and has served as one of CCC’s directors since May 1998, and its Chairman since July 2008. M. Mays is the brother of R. Mays and the son of L. Mays.

20. Defendant Randall T. Mays ("R. Mays") was a member of the Outdoor Board from 1997 until May 2011. R. Mays served as the Company's Chief Financial Officer from August 2005 until January 2010. He was also appointed Executive Vice President and Chief Financial Officer of CCC in February 1997 and was appointed Secretary in April 2003. R. Mays relinquished his duties as Secretary in May 2006 and Chief Financial Officer in January 2010. He was appointed President of CCC in February 2006 and relinquished his duties as President upon transitioning to the role of Vice Chairman in January 2010. Upon the closing of the Buyout, R. Mays became a director and the President and Chief Financial Officer of CC Media. R. Mays is the brother of M. Mays.

21. Defendant Robert Pittman ("Pittman") has served as the Executive Chairman of the Outdoor Board since October 2011. Pittman also serves as the Chief Executive Officer of CC Media Holdings, Inc. He serves on the board of directors of CC Media Holdings, Inc. and CCC.

22. Defendant Thomas R. Shepherd ("Shepherd") has served as a member of the Outdoor Board since May 2011. Shepherd is a former managing director of THL.

23. Defendant Marsha M. Shields ("Shields") was a member of the Outdoor Board from November 2005 to May 2011. Since June 2002, Shield has served as the President of the McCombs Foundation and as Deal Principal for McCombs Automotive. She has served as Manager of McCombs Family Ltd. since January 2000.

24. Defendant Christopher M. Temple ("Temple") has served as a member of the Outdoor Board since May 2011.

25. Defendant Dale E. Tremblay ("Tremblay") has served as a member of the Board since November 2005.

26. Defendant Scott R. Wells ("Wells") has served as a member of the Outdoor Board since August 2008. Wells has served as an Operating Partner at Bain since January 2011 and previously served as an Executive Vice President at Bain since 2007. Wells also is one of the leaders of the Bain's operationally focused Portfolio Group. Prior to joining Bain, Wells was a partner at Bain & Company, where he focused primarily on technology and consumer-oriented companies.

27. Defendant James C. Carlisle ("Carlisle") has served as a member of the Outdoor Board since January 2012. Carlisle is a director at THL.

28. Defendant CCC is the #1 radio company in the U.S., with about 900 stations that reach more than 110 million people. The Company is owned by CC Media Holdings ("CC Media"), an investment group led Bain and THL.

29. Defendant Bain is an alternative asset management and financial services company that specializes in private equity, venture capital, credit and public market investments. Bain invests across a broad range of industry sectors and geographic regions. As of the beginning of 2012, Bain manages approximately $66 billion of investor capital across its various investment platforms.

30. Defendant THL is a private equity firm specializing in leveraged buyouts, growth capital, special situations, industry consolidations and recapitalizations. Since its inception in 1974, THL has raised approximately $22 billion equity capital.

31. As directors of the Company, the defendants referred to in paragraphs 15 to 26 above are in a fiduciary relationship with the Company and the public stockholders of Outdoor, and owe the highest obligations of loyalty and care.

SUBSTANTIVE ALLEGATIONS

A. CCC's Control Over Outdoor

32. Outdoor is the oldest advertising company in the United States. The Company traces its roots back to the three companies that merged into the current incarnation: Foster & Kleiser (1901-1986), Patrick Media Outdoor (1986-1995) and Eller Media Company (1959-1997).

33. The Company changed its name to Clear Channel Outdoor Holdings, Inc. in August 2005.

34. On November 11, 2005, Outdoor became a publicly traded company through an initial public offering (the "IPO") in which the Company sold 10%, or 35 million shares, of its Class A common stock. Prior to the IPO, Outdoor was an indirect wholly-owned subsidiary of CCC.

35. As of December 31, 2011, CCC owns all of the Company's outstanding shares of Class B common stock, and 1,553,971 shares of the publicly traded Class A common stock. Altogether, CCC owns approximately 89% of the outstanding shares of Outdoor common stock and approximately 99% of the Company's total voting power. The Company's Class B common stock is entitled to twenty votes on matters submitted to a vote of Outdoor stockholders.

36. With its absolute control, CCC has the ability to direct the election of all members of the Board and, as stated in the Company's public filings, CCC has the power to "exercise a controlling influence over our business and affairs, including any determinations with respect to mergers or other business combinations, our acquisition or disposition of assets, our incurrence of indebtedness, our issuance of any additional common stock or other equity securities, our

repurchase or redemption of common stock or any preferred stock, if applicable, and our payment of dividends."

B. <u>CCC Exercises And Ensures Its Continued Control Over Outdoor Through Various Agreements That Enable CCC To Control Outdoor's Finances</u>

37. In connection with the IPO, Outdoor entered into various agreements designed to perpetuate CCC's actual control over the operations of Outdoor:

a. The "Master Agreement" obligates Outdoor to use certain accounting procedures, to share information with CCC, and to indemnify CCC under certain circumstances, and requires CCC's approval before Outdoor can engage in certain activities;

b. The "Corporate Services Agreement" requires Outdoor to pay CCC to perform various administrative services for the Company, including payroll, human resources, information services, and sourcing support. Outdoor paid CCC $28.5 million and $38.1 million for such services in FY 2009 and FY 2010, respectively;

c. The "Tax Matters Agreement" appoints CCC as "the sole and exclusive agent" to prepare all tax materials for the Company;

d. The "Employee Matters Agreement" requires employees of Outdoor to participate in the employment plans of CCC;

e. The "Trademark License Agreement" allows Outdoor to utilize certain trademarks owned by CCC; and

f. A cash management program with CCC, pursuant to which CCC sweeps Outdoor's cash accounts on a daily basis into a master account owned by CCC, and CCC provides funds to Outdoor on days that Outdoor's disbursements exceeds its collections.

38. As part of the cash management program, Outdoor would maintain an account that represented net amounts, up to $1.0 billion, due to or from CCC. As originally structured,

CCC could borrow up to $1.0 billion from Outdoor and vice versa. This loan arrangement was evidenced by a promissory note (the "Promissory Note") that had an expiration date of August 10, 2010 and required the borrower to pay the lender interest at a rate equal to the average one-month generic Treasury bill rate. Any borrowings under the Promissory Note would be unsecured and the holder would be treated as a general unsecured creditor of the borrower in the event of bankruptcy. The Company's proxy statement filed on April 30, 2009, explained the following:

> The Company records net amounts due to or from Clear Channel Communications as "Due from/to Clear Channel Communications" on the consolidated balance sheets. The accounts represent the revolving promissory note issued by the Company to Clear Channel Communications and the revolving promissory note issued by Clear Channel Communications to the Company, in the face amount of $1.0 billion, or if more or less than such amount, the aggregate unpaid principal amount of all advances. The accounts accrue interest pursuant to the terms of the promissory notes and are generally payable on demand. Interest on the cash management note owed by the Company accrues on the daily net negative cash position based upon LIBOR plus a margin. Interest on the cash management note owed by Clear Channel Communications accrues interest on the daily net positive cash position based upon the average one-month generic treasury bill rate. Included in the accounts are the net activities resulting from day-to-day cash management services provided by Clear Channel Communications. As a part of these services, the Company maintains collection bank accounts swept daily into accounts of Clear Channel Communications. In return, Clear Channel Communications funds the Company's controlled disbursement accounts as checks or electronic payments are presented for payment. The Company's claim in relation to cash transferred from its concentration account is on an unsecured basis and is limited to the balance of the "Due from Clear Channel Communications" account. At December 31, 2008 (post-merger) and December 31, 2007 (pre-merger), the asset recorded in "Due from Clear Channel Communications" on the consolidated balance sheet was $431.6 million and $265.4 million, respectively. The net interest income for the pre-merger period from January 1, 2008 through July 30, 2008 was $2.6 million. The net interest income for the post-merger period from July 31, 2008 through December 31, 2008 was $0.9 million. The net interest income for the pre-merger years ended December 31, 2007 and 2006 was $3.7 million and $0.4 million, respectively. At December 31, 2008, the interest rate on the "Due from Clear Channel Communications" account was 0.02%, which represents the average one-month generic treasury bill rate as described above.

39. During 2005 and 2006, CCC's financial performance was relatively strong and CCC had little need to borrow money from its majority-owned subsidiary. As such, outstanding borrowings under the Promissory Note totaled only $0.1 million and $4.2 million as of the close of 2005 and 2006, respectively.

C. Bain and THL Take CCC Private

40. In November 2006, the CCC board of directors agreed to sell the company for $18.7 billion, or $37.60 per share, to a consortium of private equity firms including Bain and THL. Citigroup, Deutsche Bank, Morgan Stanley, Credit Suisse, Wachovia and Royal Bank of Scotland agreed to provide financing, as well as a third of the equity for the deal.

41. A significant number of CCC shareholders opposed the buyout at this price and forced Bain and THL to increase their offer price twice. In September 2007, CCC shareholders approved the Buyout at a price of $39.20 per share.

42. Before the Buyout could close, however, the credit markets seized up and the banks who had agreed to provide financing became skittish. The banks refused to honor their debt commitments and a lengthy legal battle ensued between the private equity consortium and the lenders.

43. Bain/THL and the lenders finally reached a settlement in May 2008. Under the agreement, CCC shareholders would receive $36 per share, reducing the equity value of the deal to $17.9 billion.

44. On July 30, 2008, CCC merged with a subsidiary of CC Media Holdings, Inc. CCC is now owned indirectly by CC Media.

D. <u>CCC Teeters on the Edge of Bankruptcy, but the Outdoor Board Agrees to Extend the Promissory Note on Patently Unreasonable Terms</u>

45. Not only did Bain and THL purchase CCC at the very top of the market, the private equity firms also utilized an extremely high degree of leverage to finance the transaction. The Buyout saddled CCC with more than $18 billion in debt.

46. This crippling debt load combined with a slowdown in advertising spending caused concern in the market that CCC could default on its obligations. For example, in May 2009, the New York Post reported that CCC had begun reaching out to its lenders about restructuring the company's massive debt load. As part of those discussions, one topic that was debated was a pre-packaged bankruptcy. Similarly, Bishop Cheen, an analyst at Wachovia at the time, noted that CCC was on track to become the biggest default among media companies and therefore the biggest bankruptcy workout ever in the industry.

47. These legitimate concerns regarding a CCC bankruptcy made it very difficult for CCC to raise capital in the public or private arms-length markets.

48. To provide liquidity after the Buyout closed, CCC tapped the Promissory Note with Outdoors. Borrowings under the Promissory Note swelled from $4.2 million in December 2006 to $431.6 million in December 2008. Despite CCC's precarious financial situation, the nearly half a billion Loan carried only an unconscionably low 0.02% interest rate.

49. By the end of 2009, the maturity date on the Promissory Note was rapidly approaching and CCC had yet to restructure its massive debt load. On December 11, 2009, Standard & Poor's downgraded CCC's debt from a "CC" to a abysmal "CCC-" rating.

50. To ensure CCC's continued ability to exploit Outdoor for cash, CCC compelled Outdoor to amend-and-extend the terms of the Loan. The Outdoor Board, composed almost

exclusively of Bain and THL executives and members of Mays family (the founding family of CCC which sold the company to Bain and THL for a fortune), was of course willing to agree.

51. The amended promissory note ("Amended Promissory Note"), dated December 23, 2009, extended the term of the agreement from August 10, 2010 until December 15, 2017. The applicable interest rate was also increased from the one-month Treasury bill rate to a flat 9.25%.

52. While the 9.25% interest rate represented an increase in the applicable interest rate, it was still substantially below then-current market rate. According to data supplied by the Bank of America Merrill Lynch Global Index System, accessed via the Bloomberg Professional Terminal, the average yield on CCC or worse credit for the month of December 2009, was 12.75814%. Put simply, no third-party would have provided a highly levered company like CCC with a $1.0 billion unsecured loan on terms remotely close to those that the Outdoor Board provided.

53. Not only could Outdoor earn substantially more interest on the loan to CCC if it charged CCC a commercially reasonable interest rate, but Outdoor faces a severe risk that the loan will never be paid back. In the event of a CCC bankruptcy, the unsecured loan would provide Outdoor with only general creditor status, resulting in a pennies on the dollar recovery.

54. Further, because CCC takes all of Outdoor's cash on a daily basis, it prevents Outdoor from utilizing that cash to make alternative investments. In essence, therefore, the "cash management program" not only compels Outdoor to serve as an unsecured creditor of CCC with no control over its own finances, but also makes CCC Outdoor's *only* cash investment rendering any sort of responsible diversification impossible.

E. Balance on Amended Promissory Note Continues to Balloon

55. Since the Outdoor Board agreed to amend the promissory note, CCC has aggressively drawn down the balance.

56. As of December 31, 2011, CCC had borrowed $656.0 million from Outdoor under the Amended Promissory Note.

57. During this period, CCC's financial prognosis worsened. CCC's actively traded debt is rated at the lower end of the "junk"-bond universe. Moreover, CCC has more than $12 billion in debt due in 2016 and default is a "real possibility" according to Melissa Link, an analyst at Fitch Ratings.

58. In its public filings, Outdoor concedes that the Company could experience a "liquidity shortfall" in the event CCC was to become insolvent. Nonetheless, Outdoor anticipates continuing to lend CCC more money under the Amended Promissory Note and expects the size of the Loan to increase to over $1.0 billion in the next few years.

F. Board's Troubling Response to Shareholder Concerns Regarding the Loan

59. On November 29, 2012, JHL Capital Group ("JHL"), a shareholder of Outdoor, wrote a letter to the Company questioning the legality of the Loan.

60. In response to the letter from JHL, the Outdoor Board formed a purportedly independent committee (the "Committee") to review the issues raised by the letter. As a threshold matter, no such committee is independent for the reasons detailed below in the section entitled "Demand on the Outdoor Board is Excused as Futile."

61. During the week of February 27, 2012, the Committee sent a letter to JHL informing JHL that the Committee's review of the Loan had not revealed a way that Outdoor could unilaterally modify or eliminate the contractual commitment. The Committee's response

is simply wrong and emphasizes that the Board's loyalty lies with CCC and not the Company's public shareholders.

62. In no uncertain terms, Outdoors 2010 Form 10-K, filed on February 21, 2011, states that "the accounts … are generally payable on demand." Similarly, the Promissory Note itself states that:

> "Upon the occurrence of any of the following events or occurrences, each of which is hereby designated an "Acceleration Event," ***and in addition to all other rights and remedies of Payee, including, without limitation, the right to make demand on this Note at any time and without regard to the existence or non-existence of any event or occurrence*** other than the making of such demand, …" (Emphasis added).

63. In its letter to JHL, the Committee ignores the fact that Outdoor could demand repayment of the Loan by CCC at any time. However, because demanding immediate repayment could be damaging to Bain and THL's multi-billion dollar investment in CCC, the Outdoor Board has not taken such action, even though doing so is necessary to protect the interests of the Company's public shareholders.

G. Depleted of Cash, Outdoors Incurs Must Incur $2 Billion in Indebtedness to Pay Special Dividend

64. In an attempt to recoup a portion of its investment in CCC (and indirectly Outdoor), Bain and THL announced on February 29, 2012 that Outdoor will pay a $2.2 billion cash dividend (or approximately $6.08 per share).

65. Outdoor is borrowing over $2 billion to fund the Dividend. Outdoor will offer $275 million aggregate principal amount of 7.625% Series A Subordinated Notes due 2020 and Clear Channel Worldwide Holdings, Inc. ("Worldwide"), a wholly-owned subsidiary of Outdoor, will offer $1.925 billion aggregate principal amount of 7.625% Series B Senior Subordinated Notes due 2020 (collectively, the "Subordinated Notes").

66. If the Outdoor Board had not allowed CCC to exploit the Company's cash reserves to the tune of nearly a billion dollars, Outdoor would not have to incur such substantial indebtedness (and concomitant interest expense).

DERIVATIVE ALLEGATIONS

67. Plaintiff brings this action derivatively to redress injuries suffered by the Company as a direct result of the breaches of fiduciary duties by the Individual Defendants.

68. Plaintiff has owned Outdoor stock during the wrongful course of conduct by CCC, Bain, THL, and the Individual Defendants alleged herein, and continues to hold Outdoor stock.

69. Plaintiff will adequately and fairly represent the interests of Outdoor and its shareholders in enforcing and prosecuting its rights and has retained counsel competent and experienced in shareholder derivative litigation.

DEMAND ON THE OUTDOOR BOARD IS EXCUSED AS FUTILE

70. Plaintiff has not made a demand on the Outdoor Board to bring suit asserting the claims set forth herein because pre-suit demand would be futile and is excused as a matter of law.

71. *First*, the Amended Promissory Note is plainly an interested transaction and is on terms that are patently unfair to the Company. Because the Amended Promissory Note is an interested transaction, the Defendants will bear the burden of proving the entire fairness of the transaction. Because the allegations set forth above demonstrate that the Amended Promissory Note is not entirely fair to the Company, the Amended Promissory Note cannot be deemed a product of the valid exercise of business judgment and demand is excused as a matter of law.

72. Further, because the Loan is unfair to Outdoor and its approval and continuance is inexplicable except on grounds of bad faith or a lack of independence, it cannot be deemed a product of the valid exercise of business judgment and demand is excused as a matter of law.

73. The Amended Promissory Note provides a substantial benefit to CCC (*i.e.*, the ability to borrow nearly a billion dollars at half the interest rate disinterested third-party lenders would require). However, the Loan provides no benefit to the Company and could have catastrophic effects on Outdoor in the event CCC declares for bankruptcy. Moreover, CCC's borrowings under the Amended Promissory Note have depleted Outdoor's cash reserves and required the Company to borrow a substantial amount of money to fund the recently announced Dividend.

74. *Second*, a majority of Outdoor directors suffer from conflicts of interest and divided loyalties which preclude them from exercising independent business judgment. As of the date of the filing of this Complaint, the Outdoor Board consisted of the following directors: Blair E. Hendrix, Douglas L. Jacobs, Daniel G. Jones, Mark P. Mays, Robert Pittman, Thomas R. Shepherd, Christopher M. Temple, Dale W. Tremblay, Scott R. Wells and James Carlisle. These directors suffer from the following incapacitating conflicts:

(a) **Hendrix** is a managing director at Bain and also serves on the board of directors of CCC. Bain owns CCC, which is the direct beneficiary of the Loan.

(b) **Jacobs** was appointed to the Board in May 2010 by CCC and its owners, Bain and THL. He serves at their behest and in accordance with their wishes. Moreover, Jacobs has been self-employed since 2003 and his fees received for serving as an Outdoor director represent a material portion of his yearly income. Therefore, he is an interested party incapable of independent consideration of a pre-suit demand.

(c) **Jones** is a director at THL. Jones suffers the same incapacitating conflict as his THL colleague Covell.

(d) **M. Mays** serves is the former CEO of the Company and serves on the Outdoor Board at the behest of Bain and THL. M. Mays serves on the board of directors of CCC. M. Mays and his family also received over a billion dollars from Bain and THL in the Buyout of CCC. Therefore, it is unreasonable to expect M. Mays would take any action against the wishes of Bain and THL.

(e) **Pittman**, the Executive Chairman of the Outdoor Board, is an investor in CCC and a member of the CCC board of directors. He also serves in his executive capacity at Outdoor at the behest of CCC. His interests are aligned with CCC, and he is therefore incapable of independent consideration of a pre-suit demand.

(f) **Shepherd**, elected to the Outdoor Board in May 2011, is a former managing director of THL and serves on the Board at the behest of THL. Shepherd is heavily invested in THL and his interests are aligned with THL when considering the operations of the Company, such as the Amended Promissory Note.

(g) **Temple** was nominated and elected to the Outdoor Board by CCC in May 2011. During 2010, Outdoor conducted business worth approximately $4.5 million with an entity at which Temple serves as a director. By virtue of his business relationship with the Company and service at the behest of CCC, Temple is not independent and is therefore incapable of considering a pre-suit demand.

(h) **Wells** is an operating partner at Bain and therefore suffers the same debilitating conflicts as his colleague Hendrix.

(i) **Carlisle** is a director at THL. THL owns CCC which is the direct beneficiary of the favorable terms contained in the Amended Promissory Note.

75. Demand is also excused by the simple fact that certain members of the Outdoor Board (Covell, Hendrix, Jones, M. Mays, Tremblay, and Wells) would be required to sue themselves, potentially subjecting themselves to personal liability. Here, where the Loan is so unreasonable on its face that approval cannot meet the test of business judgment, a substantial likelihood of director liability exists. This high likelihood alone establishes demand futility.

76. Additionally, the Individual Defendants refusal to legitimately investigate the Loan when prompted by JHL and the Committee's bad faith response to JHL regarding the Company's inability to terminate the Loan is indicative of the Individual Defendants' bad faith handling on this matter.

77. The Outdoor Board is incapable or unwilling to take the actions required to seek the relief requested in this complaint.

CAUSES OF ACTION

COUNT I

Breach of Fiduciary Duty
(Derivatively Against CCC, Bain and THL)

78. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

79. Defendants CCC, Bain and THL, as Outdoor's controlling shareholders, owe fiduciary duties to the Company and its shareholders. As such, CCC Bain and THL owe Outdoors the highest duties of good faith, fair dealing, due care, and loyalty.

80. Defendants CCC, Bain and THL breached their fiduciary duties by exploiting their position of control to require Outdoor to enter the Amended Promissory Note.

81. As a result of the actions of CCC, Bain and THL, the Company has been and will be damaged.

82. Plaintiff has no adequate remedy at law.

COUNT II

Breach of Fiduciary Duty
(Derivatively Against Individual Defendants)

83. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

84. The Individual Defendants, as current or former directors of Outdoor, are fiduciaries of the Company and its shareholders. As such, they owe the Company the highest duties of good faith, fair dealing, due care, and loyalty.

85. The Individual Defendants have breached their duty of loyalty by approving the Amended Promissory Note which elevates the interests of CCC over the interests of Outdoor and the Company's public shareholders.

86. As a result of the actions of the Individual Defendants described herein, the Company has been deprived tens of millions of dollars in interest payments and risks being forever deprived of being repaid the principal on the borrowings under the Amended Promissory Note.

87. Plaintiff has no adequate remedy at law.

COUNT III

Waste of Corporate Assets
(Derivatively Against the Individual Defendants)

88. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

89. Because of the unreasonably low interest rate associated with CCC's unsecured borrowings under the Amended Promissory Note, this debt arrangement is tantamount to a disguised gift of corporate value from Outdoor to CCC. Put simply, the Amended Promissory Note represents a waste of corporate assets by the Individual Defendants.

90. As a result of these actions of the Individual Defendants, the Company has been and will be damaged.

91. Plaintiff has no adequate remedy at law.

COUNT IV

Unjust Enrichment
(Derivatively Against CCC, Bain and THL)

92. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

93. Defendants CCC, Bain and THL were unjustly enriched as a result of the favorable terms of the Amended Promissory Note.

94. As a result of the actions of CCC, Bain and THL, the Company has been and will be damaged.

95. Plaintiff has no adequate remedy at law.

WHEREFORE, Plaintiff prays for judgment and relief as follows:

A. Declaring that making a demand upon the Outdoor Board to investigate and prosecute the claims alleged herein would be futile for the reasons alleged herein;

B. Declaring that the Defendants breached their fiduciary duties to the Company;

C. Rescinding the Amended Promissory Note, and terminating the cash management agreement;

D. Ordering the immediate disgorgement of all profits, benefits and other compensation obtained by Defendants as a result of its breaches of fiduciary duties;

E. Awarding Plaintiff the costs and disbursements of this action, including a reasonable allowance for Plaintiff's attorneys' and experts' fees; and

F. Granting such other and further relief as may be just and proper.

DATED: March 7, 2012

GRANT & EISENHOFER, P.A.

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