

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
MUZAK HOLDINGS LLC, <i>et al.</i> , ¹)	Case No. 09-10422 (KJC)
Debtors.)	Jointly Administered

**STIPULATION BETWEEN THE REQUIRED LENDERS
AND THE UNSECURED CREDITORS COMMITTEE PROVIDING FOR A LIMITED
EXTENSION OF THE CHALLENGE PERIOD**

WHEREAS the Required Lenders² and the Official Committee of Unsecured Creditors (the "Committee" and collectively with the Required Lenders the "Parties") wish to agree to a limited extension of the Challenge Period set forth in paragraph 20 of the Final Cash Collateral Order in the manner set forth herein, the Parties do hereby stipulate and agree as follows:

1. The Challenge Period, with respect to the Remaining Claims (as defined below) only, shall be and hereby is extended through and including July 7, 2009.
2. This extension of the Challenge Period is applicable and limited to the following potential claims and/or actions only (collectively the "Remaining Claims"): (1) potential fraudulent transfer claims relating to guarantees and pledges of collateral provided by Muzak

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are: Muzak Holdings LLC (3730); Muzak Holdings Finance Corp. (3728); Muzak LLC (3729); Background Music Broadcasters, Inc. (3014); Muzak Capital Corporation (2302); MLP Environmental Music, LLC (6098); Business Sound, Inc. (9525); BI Acquisition, LLC (6049); Muzak Finance Corp. (7963); Electro-Systems Corporation (6059); Audio Environments, Inc. (4111); Telephone Audio Productions, Inc. (4894); Vortex Sound Communications Company, Inc. (3711); Muzak Houston, Inc. (9984); and Music Incorporated (3710). The location of the Debtors' corporate headquarters and the service address for all the Debtors is: 3318 Lakemont Boulevard, Fort Mill, South Carolina 29708.

² Capitalized terms undefined herein shall have the meaning attributed to them in the Stipulated Final Order (i) Authorizing Use of Cash Collateral, (ii) Granting Adequate Protection, and (iii) Modifying the Automatic Stay [Docket No.133] (the "Final Cash Collateral Order").

Holdings LLC and certain subsidiaries of Muzak LLC in connection with the Credit Agreement, dated as of April 15, 2005, and the Guarantee and Collateral Agreement, dated as of April 15, 2005, between the Debtors and the Prepetition Lenders; (2) potential fraudulent transfer and/or preferential transfer claims relating to obligations incurred and/or payments made in connection with Amendment No. 2 to Credit Agreement and Amendment No. 1 to Guarantee and Collateral Agreement, dated as of January 16, 2009; between the Debtors and the Prepetition Lenders; and (3) the perfection and validity of the Prepetition Lenders' liens on the following Collateral (i) the following accounts of the Debtors (a) Bank of America – Muzak LLC Money Market Account # 223-29455-1-5 CIW, (b) Wachovia – National Deposit Account # 2000040983020, (c) Wachovia – Payroll Account # 2000040983062, (d) Wachovia – Collateralization Account # 2000040495495, and (e) JP Morgan Chase Demand Deposit Account # 602000000911202000, (ii) commercial tort claims; (iii) registered copyrights of the Debtors; (iv) accounts holding cash collateral to securitize letters of credit issued by the Debtors; and (v) the real property owned by the Debtors and located at 4300 W. Royal Lane, Irving, Texas.

3. The parties agree that the Challenge Period with respect to all claims other than the Remaining Claims shall expire upon the filing of this stipulation, and, therefore, pursuant to paragraph 20 of the Final Cash Collateral Order (1) any and all Challenges, other than the Committee's ability to pursue the Remaining Claims, are forever waived and barred, and (2) all of the Debtors' Stipulations, waivers, releases, affirmations and other stipulations as to the priority, extent, and validity as to the Prepetition Agent's and each Prepetition Lender's claims, liens, and interests shall be in full force and effect and forever binding upon all creditors, interest holders, and other parties in interest; provided, however, the Debtors' Stipulations waivers, releases, affirmations and other stipulations related to the Remaining Claims and Debtors'


Stipulation in paragraph F(iv)(f) with respect to the value of the Prepetition Collateral securing the Prepetition Obligations exceeding the amount of the Prepetition Obligations shall not be binding on the Committee.

4. Any further extension of the Challenge Period shall be with the written consent of the Required Lenders or by order of the Court upon a showing of cause.

5. Nothing in this stipulation shall be deemed an admission by the Required Lenders with respect to the Remaining Claims, including, but not limited to, an admission that the Committee has standing to pursue such claims. All rights and defenses of the Parties to this stipulation with respect to the Remaining Claims are hereby preserved.

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**DORSEY & WHITNEY (DELAWARE)
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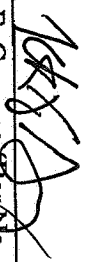
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Dated: June 8, 2009
Wilmington, DE

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Dated: June 8, 2009
Wilmington, DE

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Chapter 11

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Debtors.

Jointly Administered

CERTIFICATE OF SERVICE

I, Robert W. Mallard, Esq., hereby certify that on the 15th of June, 2009, I caused the following document to be served on the parties on the attached service list via first class mail.

*Stipulation Between the Required Lenders and the Unsecured Creditors Committee
Providing for a Limited Extension of the Challenge Period*

Dated: June 15, 2009

By: /s/ Robert W. Mallard
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