

**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

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

WHEREAS, pursuant to the Stipulation Between the Required Lenders and the Unsecured Creditors Committee Providing for a Limited Extension of the Challenge Period dated June 8, 2009 (the "First Stipulation"), the Required Lenders and the Committee agreed to extend the Challenge Period with respect to certain Remaining Claims identified therein to July 7, 2009.²

WHEREAS the Required Lenders and the Committee wish to agree to an additional limited extension of the Challenge Period in the manner set forth in this Second Stipulation Between the Required Lenders and the Unsecured Creditors Committee Providing for a Limited Extension of the Challenge Period (the "Second Stipulation").

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 First Stipulation.

NOW, THEREFORE, the Parties, by and through their undersigned counsel, do hereby stipulate and agree as follows:

1. The Challenge Period with respect to the Remaining Claims other than those Expired Remaining Claims (as defined below) specifically identified in paragraph 2 of this Second Stipulation, shall be and hereby is extended through and including August 17, 2009.

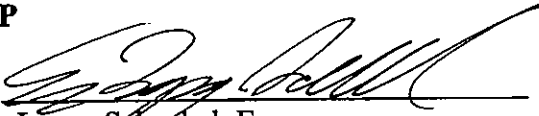
2. The Challenge Period shall expire with respect to the following Remaining Claims (the "Expired Remaining Claims"): (a) potential preferential transfer claims relating to obligations incurred and/or payments made in connection with Amendment No. 2 to Credit Agreement and Amendment No. 1 to Guarantee and Collateral Agreement, dated as of January 16, 2009, between the Debtors and the Prepetition Lenders; and (b) the perfection and validity of the Prepetition Lenders' liens on the following Collateral: (i) accounts holding cash collateral to securitize letters of credit issued by the Debtors; and (ii) the real property owned by the Debtors and located at 4300 W. Royal Lane, Irving, Texas.

3. Pursuant to paragraph 20 of the Final Cash Collateral Order, any and all Challenges relating to the Expired Remaining Claims are forever waived and barred.

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 other than the Expired Remaining Claims are hereby preserved.

**DORSEY & WHITNEY (DELAWARE)
LLP**

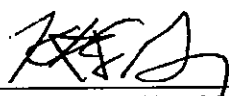
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Dated: July __, 2009
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Dated: July 6, 2009
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