

ORIGINAL

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: § Chapter 11
NEXTMEDIA GROUP, INC., *et al.*, §
§ Case No. 09-14463 (PJW)
§
Debtors. § Joint Administration Pending
§
§ Re: Docket No. 11

INTERIM ORDER (I) AUTHORIZING AND APPROVING (1) DEBTOR IN POSSESSION FINANCING PURSUANT TO SECTIONS 364(C) AND 364(D) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 4001(c), (2) THE USE OF SECOND LIEN LENDERS' CASH COLLATERAL AND THE GRANT OF ADEQUATE PROTECTION PURSUANT TO SECTIONS 361 AND 363 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 4001(b) AND (3) MODIFICATION OF THE AUTOMATIC STAY UNDER SECTION 362 OF THE BANKRUPTCY CODE AND (II) SCHEDULING A FINAL HEARING AND APPROVING FORM AND MANNER OF NOTICE THEREOF

Upon the motion, dated December 21, 2009 (the "Motion"), of NextMedia Operating, Inc. (the "Borrower"), NextMedia Group, Inc. ("NM Group") and the Borrower's subsidiaries (together with NM Group, the "Guarantors"), each as a debtor and debtor in possession (collectively, the "Debtors") in the above-captioned cases (the "Cases") commenced on December 21, 2009 (the "Petition Date") for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended, the "Bankruptcy Code"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), seeking:

(I) authorization for (a) the Borrower to obtain up to \$20,000,000 in aggregate principal amount of postpetition financing (the "DIP Loans") from funds and affiliates of funds managed by Strategic Value Partners, LLC or its

affiliates and funds and affiliates of funds managed by Angelo, Gordon & Co., L.P. or its affiliates (such funds, the “Lead DIP Lenders”, and together with any other financial institution or entity acceptable to the Lead DIP Lenders, the “DIP Lenders”) on the terms and conditions set forth in this interim order (this “Order”), the Final Order (as defined below), the term sheet attached hereto as Exhibit A (together with the DIP Commitment Letter (as defined below), the “DIP Term Sheet”), the DIP Credit Agreement and the other DIP Documents (each as defined below) and (b) the Guarantors to guarantee on a secured basis the Borrower’s obligations in respect of the DIP Loans;

(II) authorization for the Debtors to execute and deliver final documentation consistent with the DIP Term Sheet and to perform such other and further acts as may be necessary or appropriate in connection therewith, which final documents shall include (a) a Credit and Guaranty Agreement (the “DIP Credit Agreement”) among the Borrower, the Guarantors and the DIP Lenders and (b) other agreements, documents and instruments delivered or executed in connection with the DIP Term Sheet and the DIP Credit Agreement, all of which shall be in form and substance acceptable to the Borrower, the Guarantors and the Lead DIP Lenders, shall incorporate the terms and conditions of the DIP Term Sheet and shall be filed with the Bankruptcy Court no later than five (5) business days prior to the date set for the Final Hearing referred to below (such documentation, together with the DIP Term Sheet and, when applicable, the DIP Credit Agreement, the “DIP Documents”);

(III) authorization for the Debtors to (a) use the Cash Collateral (as defined below) pursuant to section 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined below) and (b) provide adequate protection to the lenders (the “Second Lien Lenders”) under the Second Lien Credit and Guaranty Agreement, dated as of November 15, 2005 (as amended, supplemented or otherwise modified as of the Petition Date, the “Second Lien Credit Agreement”); and together with any other security, pledge or guaranty agreements and all other documentation executed in connection with any of the foregoing, each as amended, supplemented or otherwise modified as of the Petition Date, the “Second Lien Documents”), among the Borrower, the Guarantors, the Second Lien Lenders and Nexbank, SSB, as administrative agent and collateral agent for the Second Lien Lenders (in such capacities, the “Second Lien Agent”);

(IV) authorization for the Lead DIP Lenders, on behalf of the DIP Lenders, to exercise remedies upon the occurrence and continuance of an Event of Default (as defined below), including without limitation, upon the entry of an order or orders granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code in respect of the Debtors’ assets having a value in excess of \$100,000;

(V) subject to entry of the Final Order, authorization to grant liens to the DIP Lenders on the proceeds of the Debtors’ claims and causes of action (but not on the actual claims and causes of action) arising under sections 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (collectively, the “Avoidance Actions”);

(VI) subject to entry of the Final Order, the waiver by the Debtors of any right to seek to surcharge against the DIP Collateral (as defined below) pursuant to section 506(c) of the Bankruptcy Code;

(VII) to schedule, pursuant to Bankruptcy Rule 4001, an interim hearing (the "Interim Hearing") on the Motion to be held before this Court to consider entry of this Order (a) authorizing the Borrower, on an interim basis, to borrow under the DIP Term Sheet up to \$5,000,000 of the DIP Loans to be used for working capital and general corporate purposes of the Debtors in accordance with Debtors' budget attached hereto as Exhibit B (including the variances thereto permitted under the DIP Documents and as such budget may be supplemented or modified in accordance with the terms hereof and the DIP Documents, the "Budget") and to authorize the Guarantors to guarantee on a secured basis the obligations of the Borrower with respect to the DIP Loans, (b) authorizing the Debtors to use the Cash Collateral and the other Prepetition Collateral and (c) granting adequate protection to the Second Lien Agent and the Second Lien Lenders; and

(VIII) to schedule, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") for this Court to consider entry of a final order (the "Final Order") authorizing the Borrower, on a final basis, to borrow under the DIP Credit Agreement the balance of the DIP Loans and to continue to use the other Prepetition Collateral and to authorize the Guarantors to guarantee, on a secured basis, the obligations of the Borrower with respect to the DIP Loans, and authorizing and approving, on a final basis, the relief requested in the Motion.

The Interim Hearing having been held by this Court on December ²²~~21~~, 2009, and upon the record made by the Debtors at the Interim Hearing, and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction.* This Court has core jurisdiction over the Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice.* Notice of the Motion, the relief requested therein and the Interim Hearing was served by the Debtors on their thirty largest unsecured creditors (on a consolidated basis), the Lead DIP Lenders, the First Lien Agent (as defined below), the Second Lien Agent and the United States Trustee for the District of Delaware (the "U.S. Trustee"). Under the circumstances, the notice given by the Debtors of the Motion, the relief requested therein and the Interim Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rules 4001(b) and (c).

3. *Debtors' Stipulations.* Without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraphs 17 and 18 below) the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, the Debtors were truly and justly indebted to the Second Lien Agent and the Second Lien Lenders, without defense, counterclaim or offset of any kind, in the aggregate amount of not less than \$89.6 million (including accrued and unpaid interest) in respect of loans made by the Second Lien Lenders pursuant to the Second Lien Documents, plus any fees and expenses (including fees and expenses of attorneys and advisors) as provided in the Second Lien Documents (collectively, the "Second Lien Obligations");

(b) the liens and security interests granted by the Debtors to the Second Lien Agent, for the benefit of itself and the Second Lien Lenders, to secure the Second Lien Obligations are (i) valid, binding, perfected (except with respect to NM Texas, Inc.), enforceable, second priority liens on and security interests (subject to the First Lien Priority Liens (as defined in paragraph 19 below) and other permitted exceptions under the Second Lien Credit Agreement) in the personal and real property of such Debtors constituting “Collateral” under, and as defined in, the Second Lien Documents in respect of the Second Lien Obligations (together with the Cash Collateral, the “Prepetition Collateral”), (ii) not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to (A) after giving effect to this Order, the Carve Out (as defined below) and the liens and security interests granted to secure the DIP Loans and the Adequate Protection Obligations (as defined below), (B) valid, perfected and unavoidable liens permitted under the Second Lien Documents to the extent such permitted liens are senior to the liens securing the Second Lien Obligations and (C) the First Lien Priority Liens;

(c) (i) no portion of the Second Lien Obligations is subject to avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (ii) the Debtors do not have, and hereby forever release, any claims, counterclaims, causes of action, defenses or setoff rights, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the Second Lien Agent and the Second Lien Lenders, and their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors.

4. *Findings Regarding The DIP Loans.*

(a) Good cause has been shown for the entry of this Order.

(b) The Debtors have an immediate need to obtain the DIP Loans and to use the Prepetition Collateral, including the Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, make payroll and satisfy other working capital and general corporate purposes of the Debtors. The Debtors' use of the Prepetition Collateral (including the Cash Collateral) is, therefore, necessary to ensure that the Debtors have sufficient working capital and liquidity to preserve and maintain the going concern value of the Debtors' estates.

(c) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without granting the priming DIP Liens (as defined below) and the DIP Superpriority Claims (as defined below), in each case (x) on the terms and conditions set forth in this Order and the DIP Documents and (y) subject to the First Lien Priority Liens and the First Lien Superpriority Claims (as defined in paragraph 19 below).

(d) The terms of the DIP Loans and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

(e) The DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) have been the subject of extensive negotiations conducted in good faith and at arm's length among the Borrower, the Guarantors, the Lead DIP Lenders, the Second Lien

Agent and the Second Lien Lenders, and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Loans, including without limitation, (i) all loans made to the Borrower as contemplated and authorized by this Order and (ii) all other obligations of the Debtors under the DIP Documents and this Order paid to any DIP Lenders, including, without limitation, any fees provided for in the DIP Commitment Letter (collectively, the "DIP Obligations"), shall be deemed to have been extended by the DIP Lenders in "good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(f) The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent granting the interim relief set forth in this Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Loans and the use of the Prepetition Collateral (including the Cash Collateral) in accordance with this Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates.

5. *Authorization Of The DIP Loans And The DIP Documents.*

(a) The Debtors are hereby authorized to enter into and perform under the DIP Documents, including the DIP Term Sheet and the DIP Credit Agreement, and the DIP Term Sheet is hereby approved and incorporated herein by reference. Pending the execution of the DIP Credit Agreement and the other DIP Documents, the DIP Term Sheet and this Order (including Schedule 2) shall govern the financial and credit accommodations to be provided to the Debtors by the DIP Lenders and the terms and conditions to which such accommodations are subject.

(b) Subject to entry of an order providing for the Debtors' use of the First Lien Lenders' cash collateral on terms and conditions satisfactory to the Lead DIP Lenders, (i) the Borrower is hereby authorized to borrow under the DIP Term Sheet up to an aggregate principal amount of \$5,000,000 of the DIP Loans for working capital and other general corporate purposes of the Debtors, including without limitation, to pay interest, fees and expenses in connection with the DIP Loans, in accordance with the Budget and (ii) the Guarantors are hereby authorized to guarantee the obligations of the Borrower under the DIP Documents, in accordance with the terms of the DIP Documents without the need for approval of this Court, provided that the Debtors' use of proceeds from the DIP Loan shall only be in accordance with the Budget.

(c) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and directed to perform all acts and to execute and deliver all instruments and documents that the Lead DIP Lenders determine to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents, including the DIP Credit Agreement;

(ii) the execution, delivery and performance of the guarantees by the Guarantors of the obligations of the Borrower;

(iii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Debtors and the Lead DIP Lenders may agree, and no further approval of this Court shall be required for amendments, waivers, consents or other modifications to and under the DIP Documents (and any fees paid in connection therewith) that do not materially and

adversely affect the Debtors or which do not (A) shorten the maturity of the DIP Loans, (B) increase the commitments under the DIP Credit Agreement or the DIP Term Sheet or the rate of interest payable on the DIP Loans under the DIP Credit Agreement, or (C) modify any Event of Default to be materially more restrictive; provided, however, that a copy of any such amendment, waiver, consent or other modification shall be filed by the Debtors with this Court and served by the Debtors on the U.S. Trustee and any statutory committee of unsecured creditors appointed in the Cases (the "Committee");

(iv) the non-refundable payment to the DIP Lenders, as the case may be, of the fees set forth in the DIP Documents and referred to in the commitment letter, dated December 17, 2009, among NM Group, the Borrower and the Lead DIP Lenders (the "DIP Commitment Letter"); and

(v) the performance of all other acts required under or in connection with the DIP Documents.

(d) Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents. No obligation, payment, transfer or grant of liens on and security by the Debtors under the DIP Documents or this Order shall be stayed, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d) or 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

6. *Superpriority Claims.*

(a) Except to the extent expressly set forth in this Order in respect of the Carve Out and subject to the First Lien Superpriority Claims, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative claims (the “DIP Superpriority Claims”) against the Debtors with priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. Except to the extent expressly set forth in this Order, the DIP Lenders shall not receive or retain any payments, property or other amounts in respect of the DIP Superpriority Claims unless and until all amounts owed under the First Lien Cash Collateral Order and the First Lien Credit Agreement (each as defined in paragraph 19 below; such amounts, the “First Lien Obligations”) shall have been indefeasibly paid in full in cash.

(b) For purposes hereof, the “Carve Out” shall mean (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code and (ii) after the occurrence and during the continuance of an Event of Default, the payment of accrued and unpaid professional fees and expenses incurred by the Debtors and the Committee and allowed by this Court, in an aggregate amount not exceeding \$750,000 (plus all unpaid professional fees and expenses allowed by this Court that were incurred prior to the occurrence of such Event of Default), provided that (A) the Carve Out shall not be available to pay any such professional fees and expenses incurred in

connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Lenders, the Second Lien Lenders or the Second Lien Agent, (B) so long as no Event of Default shall have occurred and be continuing, the Carve Out shall not be reduced by the payment of fees and expenses allowed by this Court and payable under sections 330 and 331 of the Bankruptcy Code and (C) nothing in this Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates.

7. *DIP Liens.* As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Lenders of any property, the following security interests and liens are hereby granted to the DIP Lenders (all property identified in clauses (a), (b) and (c) below being collectively referred to as the "DIP Collateral"), in each case subject only to (i) the Carve Out and (ii) the First Lien Priority Liens (all such liens and security interests granted to the DIP Lenders pursuant to this Order, the "DIP Liens"):

(a) Senior Liens On Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code and subject to applicable law and subject and subordinate to the First Lien Replacement Liens (as defined in paragraph 19 below), a valid, binding, continuing, enforceable, fully-perfected senior lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date (collectively, the "Unencumbered Property"),

including without limitation, any and all unencumbered cash, accounts receivable, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property and the proceeds of all of the foregoing, provided that the Unencumbered Property shall not include the Avoidance Actions and any assets upon which a lien or security interest may not be lawfully granted, but subject to the entry of the Final Order, Unencumbered Property shall include any proceeds or property recovered in respect of any Avoidance Actions.

(b) Liens Junior To Certain Existing Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code and subject and subordinate to the First Lien Prepetition Liens (as defined in paragraph 19 below), a valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property of the Debtors (other than the property described in paragraph 7(c), as to which the DIP Liens will be as described in such paragraph), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which security interests and liens in favor of the DIP Lenders shall be junior to such valid, perfected and unavoidable liens.

(c) Liens Priming Second Lien Lenders' Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code and subject and subordinate to the First Lien Priority Liens, a valid, binding, continuing, enforceable, fully-perfected, senior priming lien on, and security interest in, all Prepetition Collateral. The DIP Liens on the Prepetition Collateral shall be senior in all

respects to the security interests in, and liens on, the Prepetition Collateral of the Second Lien Agent and the Second Lien Lenders (including, without limitation, the Adequate Protection Liens (as defined in paragraph 13(a) below)), but shall be junior to any valid, perfected and unavoidable security interests in and liens on the Prepetition Collateral that were senior to the liens of the Second Lien Agent and the Second Lien Lenders as of the Petition Date, including as permitted by section 546(b) of the Bankruptcy Code.

(d) Liens Senior To Certain Other Liens. Other than the First Lien Priority Liens, the DIP Liens and the Adequate Protection Liens shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any liens arising after the Petition Date or (ii) subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise.

8. Remedies After Event of Default. The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the Lead DIP Lenders, on behalf of the DIP Lenders, to exercise, five business days following written notice to the Debtors and the Second Lien Agent after the occurrence of any of the events listed hereto on Schedule 1 or paragraph 16(b) (each an "Event of Default"; the five business days following written notice of such Event of Default, provided such Event of Default has not been cured or waived during such five business day period, the "Termination Date"), all rights and remedies provided for in this Order and the DIP Documents. Upon the Termination Date, (i) the DIP Obligations shall become immediately due and payable and (ii) the Lead DIP Lenders, on behalf of the DIP Lenders, may exercise the rights and remedies available under the DIP Documents, this Order or applicable law, including, without limitation, foreclosing upon and selling all or a

portion of the DIP Collateral in order to collect the DIP Obligations. The actions described in clauses (i) and (ii) above may be taken without further order of or application to the Court as the Lead DIP Lenders shall, in their discretion, elect. Subject to prior payment of the First Lien Obligations, the payments or proceeds of the DIP Collateral shall be applied in accordance with the provisions of the DIP Loan Documents, and in no event shall the DIP Lenders be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the DIP Obligations or the DIP Collateral. Notwithstanding the occurrence of the Termination Date or anything herein, all of the rights, remedies, benefits and protections provided to the DIP Lenders under this Order shall survive the Termination Date. In any hearing regarding any exercise of rights or remedies, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of Default has occurred and is continuing. Any delay or failure to exercise rights and remedies under the DIP Documents or this Order shall not constitute a waiver of the DIP Lenders’ rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the DIP Credit Agreement.

9. *Limitation On Charging Expenses Against Collateral.* Subject to and effective upon entry of the Final Order, except to the extent of the Carve Out, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Lead DIP Lenders or the Second Lien Agent, as the case may be, and no such consent shall be

implied from any other action or inaction by the DIP Lenders, the Second Lien Agent or the Second Lien Lenders.

10. *Payments Free and Clear.* Any and all payments or proceeds remitted to the DIP Lenders or the Second Lien Agent on behalf of the Second Lien Lenders pursuant to the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, interest, assessment or other liability.

11. *The Cash Collateral.* To the extent any of the Debtors' cash, including without limitation, any cash and other amounts on deposit or maintained by the Debtors in any account or accounts with any Second Lien Lender and any cash proceeds of the disposition of any Prepetition Collateral, such cash constitutes proceeds of the Prepetition Collateral and, therefore, is cash collateral of the Second Lien Lenders within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

12. *Use Of Prepetition Collateral (including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date for working capital and general corporate purposes in accordance with the Budget and the terms and conditions of this Order, provided that, (a) the Second Lien Lenders and the Second Lien Agent are granted adequate protection as hereinafter set forth and (b) except on the terms of this Order, the Debtors shall be enjoined and prohibited from at any time using the Cash Collateral.

13. *Adequate Protection.* The Second Lien Agent and the Second Lien Lenders are entitled, pursuant to sections 361, 363(c)(2) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of the Prepetition Collateral, including

without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming by the DIP Liens of the liens on the Prepetition Collateral for the benefit of the Second Lien Agent and the Second Lien Lenders, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the “Adequate Protection Obligations”). As adequate protection, the Second Lien Agent and the Second Lien Lenders are hereby granted the following:

(a) Adequate Protection Liens. As security for the payment of the Adequate Protection Obligations, the Second Lien Agent (for itself and for the benefit of the Second Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the “Adequate Protection Liens”), subject and subordinate only to (i) the First Lien Priority Liens, (ii) the DIP Liens, and (iii) the Carve Out.

(b) Section 507(b) Claim. The Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the “507(b) Claims”), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve Out, (ii) the First Lien Superpriority Claims and (iii) the DIP Superpriority Claims. Except to the extent expressly set forth in this Order, the Second Lien Agent and the Second Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims unless and until the First Lien Obligations and the DIP Obligations

shall have been indefeasibly paid in full in cash. In addition and notwithstanding anything to the contrary contained herein, the Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in the Cases in the manner set forth in such plan if holders of more than 66 2/3% in amount and 50% in number of the Adequate Protection Obligations consent to such treatment, regardless of their status as 507(b) Claims.

(c) Fees And Expenses. The Debtors shall pay to the Second Lien Agent and the Second Lien Lead Investors (as defined in the Motion) all reasonable fees and expenses in connection with these Cases, including without limitation, the prepetition and postpetition reasonable fees and disbursements of the Second Lien Agent and the Second Lien Lead Investors and their respective advisors (it being understood that the Second Lien Agent's advisors for purposes of this paragraph 13(c) are Broadpoint Capital, Inc., Dechert LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP (solely as FCC counsel), as well as one local counsel). None of the fees and expenses payable pursuant to this paragraph 13(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in this paragraph 13(c) promptly after receipt of invoices therefor, and the Debtors shall promptly provide copies of such invoices to the Office of the United States Trustee and any official committee of unsecured creditors appointed in these cases.

(d) Information. The Debtors shall promptly provide to the Second Lien Agent any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Lenders.

14. *Reservation of Rights of Second Lien Lenders.* Based upon the consent of the Second Lien Lenders, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Second Lien Agent and the Second Lien Lenders; ^{provided that} Except as expressly provided herein, nothing contained in this Order (including without limitation, the authorization to use any Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to the Second Lien Agent or any Second Lien Lender including, without limitation, under the Second Lien Documents and the Intercreditor Agreement (as defined in the Second Lien Credit Agreement). The consent of the Second Lien Agent and the Second Lien Lenders to the priming of their liens on the Prepetition Collateral by the DIP Liens is limited to the DIP Obligations.

15. *Perfection Of DIP Liens And Adequate Protection Liens.*

(a) The Lead DIP Lenders and the Second Lien Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the DIP Liens and the Adequate Protection Liens granted to them hereunder. Whether or not the Lead DIP Lenders or the Second Lien Agent shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the DIP Liens and the Adequate Protection Liens, such DIP Liens and the Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Order.

or any other party in interest to contest any such modification.

notwithstanding any other provision hereof, the grant of adequate protection to the Second Lien Agent and

RLF1 3519869v.1

the Second Lien Lenders pursuant hereto is without prejudice to the right of the Second Lien Agent or the Second Lien Lenders to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection and without prejudice to the right of the Loan Parties Debtors

(b) A copy of this Order may, in the discretion of the Lead DIP Lenders or the Second Lien Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the Lead DIP Lenders and the Second Lien Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the Lead DIP Lenders or the Second Lien Agent may reasonably request to evidence, confirm, validate or perfect the DIP Liens and the Adequate Protection Liens.

~~(d) Any provision of any lease or other license (other than Federal Communications Commission licenses), contract or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such leasehold interest or license, or the proceeds thereof, or other DIP Collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code. Any such provision shall have no force and effect with respect to the granting of the DIP Liens or the Adequate Protection Liens on such leasehold interest or license or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Lenders, the Second Lien Agent or the Second Lien Lenders in accordance with the terms of the DIP Documents or this Order.~~

16. *Preservation Of Rights Granted Under The Order.*

(a) Other than the First Lien Superpriority Claims and the First Lien Priority Liens, no claim or lien having a priority senior to or *pari passu* with those granted by this Order

to the DIP Lenders, the Second Lien Agent or the Second Lien Lenders, shall be granted or allowed while any portion of the DIP Obligations (or any refinancing thereof) or the Adequate Protection Obligations remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Unless all DIP Obligations and Adequate Protection Obligations shall have been indefeasibly paid in full in cash, the Debtors shall not seek, and it shall constitute an Event of Default hereunder and under the DIP Documents and a termination of the right to use the Cash Collateral if any of the Debtors seeks, or if there is entered, (i) any modification of this Order without the prior written consent of the Lead DIP Lenders and the Second Lien Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Lenders or the Second Lien Agent or (ii) an order converting or dismissing any of the Cases. If an order dismissing any of the Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (A) the DIP Superpriority Claims, the 507(b) Claims, the other administrative claims granted pursuant to this Order, the DIP Liens and the Adequate Protection Liens shall continue in full force and effect and shall maintain their priorities as provided in this Order until all DIP Obligations and all Adequate Protection Obligations shall have been paid and satisfied in full (and that the DIP Superpriority Claims, the 507(b) Claims, such other administrative claims granted pursuant to this Order, the DIP Liens and the Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all parties in interest) and (B) this

Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in clause (A) above.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacatur shall not affect (i) the validity, priority or enforceability of any DIP Obligations or any Adequate Protection Obligations incurred prior to the actual receipt of written notice by the Lead DIP Lenders or the Second Lien Agent, as applicable, of the effective date of such reversal, stay, modification or vacatur or (ii) the validity, priority or enforceability of the DIP Liens or the Adequate Protection Liens. Notwithstanding any such reversal, stay, modification or vacatur, any use of Cash Collateral, any DIP Obligations or any Adequate Protection Obligations incurred by the Debtors to the DIP Lenders, the Second Lien Agent or the Second Lien Lenders, as the case may be, prior to the actual receipt of written notice by the DIP Lenders and the Second Lien Agent of the effective date of such reversal, stay, modification or vacatur shall be governed in all respects by the original provisions of this Order, and the DIP Lenders, the Second Lien Agent and the Second Lien Lenders, shall be entitled to all of the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code, this Order and pursuant to the DIP Documents with respect to all uses of Cash Collateral, all DIP Obligations and all Adequate Protection Obligations.

(d) Except as expressly provided in this Order or in the DIP Documents, the DIP Liens, the DIP Obligations, the DIP Superpriority Claims, the Adequate Protection Liens, the Adequate Protection Obligations, the 507(b) Claims and all other rights and remedies of the DIP Lenders, the Second Lien Agent and the Second Lien Lenders, granted by this Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry

of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases or by any other act or omission, (ii) the appointment of a chapter 11 trustee with plenary power in any of the Cases or (iii) the entry of an order confirming a plan of reorganization in any of the Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations. The terms and provisions of this Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the DIP Obligations, the DIP Superpriority Claims, the Section 507(b) Claims, the other administrative Claims granted pursuant to this Order, and all other rights and remedies of the DIP Lenders, the Second Lien Agent and the Second Lien Lenders granted by this Order and the DIP Documents shall continue in full force and effect until all DIP Obligations and all Adequate Protection Obligations are indefeasibly paid in full in cash.

17. *Effect Of Stipulations On Third Parties.* The stipulations and admissions contained in this Order, including without limitation, in paragraphs 3 and 11 of this Order, shall be binding solely upon the Debtors under all circumstances. The stipulations and admissions contained in this Order, including without limitation, in paragraphs 3 and 11 of this Order, shall be binding upon all other parties in interest, including without limitation, the Committee, unless (a) the Committee or any other party-in-interest with standing to do so has filed an adversary proceeding or contested matter (subject to the terms of this Order) by no later than the date that is 75 days from the date of the entry of this Order, (A) challenging the validity, enforceability, priority or extent of the Second Lien Obligations or the liens on the Prepetition Collateral securing the Second Lien Obligations or (B) otherwise asserting or prosecuting any Avoidance

Actions or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the “Claims and Defenses”) against the Second Lien Agent or any of the Second Lien Lenders or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Second Lien Obligations or the Prepetition Collateral and (b) an order is entered and becomes final in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter, ~~provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date.~~ If no such adversary proceeding or contested matter is timely filed in respect of the Second Lien Obligations (x) the Second Lien Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the Second Lien Obligations shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 3(b), not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the Second Lien Obligations, the Second Lien Agent and the Second Lien Lenders, as the case may be, and the liens on the Prepetition Collateral granted to secure the Second Lien Obligations shall not be subject to any other or further challenge by the Committee or any other party-in-interest, and the Committee or such party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors’ estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraphs 3 and 11 of this Order shall nonetheless remain binding and preclusive

(as provided in the second sentence of this paragraph) on the Committee and any other party-in-interest, except as to any such findings and admissions that were successfully challenged in such adversary proceeding or contested matter. ~~[Nothing in this Order vests or confers on any Entity (as defined in the Bankruptcy Code), or the Committee, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including without limitation, Claims and Defenses with respect to the Second Lien Documents, the Second Lien Obligations, or any liens granted by any Debtor to secure any of the foregoing.]~~

18. *Limitation On Use Of DIP Loans And DIP Collateral.* The Debtors shall use the DIP Loans and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Order and the DIP Documents. Notwithstanding anything herein or in any other order of this Court to the contrary, no DIP Loans, no DIP Collateral, no Prepetition Collateral (including the Cash Collateral) or the Carve Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the Second Lien Documents or the liens or claims granted under this Order, the DIP Documents or the Second Lien Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Lenders, the Second Lien Agent or the Second Lien Lenders or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, (c) prevent, hinder or otherwise delay the DIP Lenders' or the Second Lien Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the Second Lien Documents or this Order, (d) seek to modify any of the rights granted to the DIP Lenders, the Second Lien Agent or the Second Lien Lenders hereunder or under the DIP Documents or the Second Lien Documents, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent or (e)

pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an Order of this Court and (ii) permitted under the DIP Documents, provided that, notwithstanding anything to the contrary herein, no more than an aggregate of \$50,000 of the Prepetition Collateral (including the Cash Collateral), the DIP Loans, the DIP Collateral or the Carve Out may be used by any Committee to investigate the validity, enforceability or priority of the Second Lien Obligations or the liens on the Prepetition Collateral securing the Second Lien Obligations, or investigate any Claims and Defenses or other causes action against the Second Lien Agent or the Second Lien Lenders.

19. *First Lien Lenders' Cash Collateral Order.* The Debtors, certain financial institutions (the "First Lien Lenders") and Wilmington Trust FSB, as the administrative agent for the First Lien Lenders (the "First Lien Agent") are party to that first lien Credit and Guaranty Agreement, dated as of November 15, 2005 (as amended, modified or otherwise supplemented as of the Petition Date, the "First Lien Credit Agreement"), in respect of which the First Lien Agent, for the ratable benefit of the First Lien Lenders, was granted a first priority lien (the "First Lien Prepetition Liens") on substantially all of the Debtors' prepetition property. Upon motion from the Debtors, this Court has concurrently entered the "Interim Order (I) Authorizing and Approving (a) the Use of First Lien Lenders' Cash Collateral and the Grant of Adequate Protection Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(B) and (b) Modification of the Automatic Stay Under Section 362 of the Bankruptcy Code and (II) Scheduling a Final Hearing and Approving Form and Manner of Notice Thereof" (whether on an interim or final basis, the "First Lien Cash Collateral Order") authorizing the use of the First Lien Lenders' prepetition collateral, including cash collateral, and granting adequate protection to the First Lien Agent and the First Lien Lenders by, among other things, granting

replacement liens (the “First Lien Replacement Liens”, together with the First Lien Prepetition Liens, the “First Lien Priority Liens”) and superpriority claims (the “First Lien Superpriority Claims”) to the extent of any diminution in value of the First Lien Lenders’ prepetition collateral. Nothing in this Order shall be construed to (i) affect the prepetition or postpetition priority of or (ii) grant DIP Liens, Adequate Protection Liens, DIP Superpriority Claims or 507(b) Claims, and/or other liens or claims that prime or otherwise are senior to or *pari passu* with, the First Lien Priority Liens or the First Lien Superpriority Claims. Nothing herein or in the DIP Documents shall impair or modify any rights, claims or defenses granted to the First Lien Agent or First Lien Lenders under the First Lien Cash Collateral Order.

20. *Order Governs.* In the event of any inconsistency between the provisions of this Order and the DIP Documents, the provisions of this Order shall govern.

21. *Binding Effect; Successors And Assigns.* The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, the Committee, and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Lenders, the Second Lien Agent, the Second Lien Lenders and the Debtors and their respective successors and assigns, provided that, except to the extent expressly set forth in this Order, the DIP Lenders, the Second Lien Agent and the Second Lien Lenders shall have

no obligation to permit the use of Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estate of any Debtor.

22. *Limitation Of Liability.* ~~Subject to the entry of a final order, in determining to make any loan under the DIP Documents, permitting the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the Second Lien Agent, the DIP Lenders and the Second Lien Lenders shall not be deemed to be in control of the operations of any Debtor or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore,~~ nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lenders, the Second Lien Agent or the Second Lien Lenders any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their affiliates (as defined in section 101(2) of the Bankruptcy Code). *Subject to Paragraph 17 hereof*

23. *Effectiveness.* This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof as of the Petition Date, and there shall be no stay of execution of effectiveness of this Order.

24. *Final Hearing.* The Final Hearing is scheduled for January 15, 2010 at 1:30 p.m., prevailing Eastern time, before this Court.

25. *Final Hearing Notice.* The Debtors shall promptly mail copies of this Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this

Court and to the Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. Such notice shall also state that the DIP Credit Agreement will be filed with the Court and made available to parties in interest no later than five (5) business days prior to the Final Hearing. Any party-in-interest objecting to the relief sought at the Final Hearing shall serve and file written objections, which objections shall be served upon (a) Andrews Kurth LLP, 1717 Main Street, Suite 3700, Dallas, Texas 75201, Attention: Jason S. Brookner, Esq., and Richards, Layton & Finger, P.A., One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801, Attention: Paul N. Heath, Esq., attorneys for the Debtors, (b) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention: Kenneth S. Ziman, Esq., and Young, Conaway, Stargatt & Taylor, LLP, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attention: Robert S. Brady, Esq., attorneys of the DIP Lenders, (c) Dechert LLP, 1095 Avenue of the Americas, New York, New York 10036, Attention: Michael J. Sage, Esq., and Ashby & Geddes, 500 Delaware Avenue, P.O. Box 1150, Wilmington Delaware 19899, Attention: William Bowden, Esq., attorneys for the Second Lien Agent and (d) the Office of the U.S. Trustee for the District of Delaware, and shall be filed with the Clerk of the United States Bankruptcy Court, District of Delaware, in each case to allow actual receipt by the foregoing no later than January 13th, 2009 at 12:00 ~~4:00~~ p.m., prevailing Eastern time.

Dated: December 22, 2009
Wilmington, Delaware


UNITED STATES BANKRUPTCY JUDGE

DIP Term Sheet

Exhibit A

NEXTMEDIA OPERATING, INC.

**Outline of Terms and Conditions for
Debtor-in-Possession Term Loan Facility
in the Amount of \$20,000,000**

- Borrower:** NextMedia Operating, Inc., a Delaware corporation (the "Borrower"), as a debtor-in-possession in a case (the "Debtor's Case") pending under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").
- Guarantors:** NextMedia Group, Inc. and the subsidiaries of the Borrower, each of which is a debtor-in-possession in a case (together with the Debtor's Case, the "Cases"; the date of the commencement of the Cases, the "Petition Date") pending under Chapter 11 of the Bankruptcy Code (collectively, the "Guarantors", and, together with the Borrower, the "Loan Parties" or the "Debtors").
- Lenders:** Certain funds and their respective affiliates managed by Strategic Value Partners LLC or its affiliates ("SVP") and certain funds and their respective affiliates managed by Angelo, Gordon & Co., L.P. or its affiliates ("Angelo, Gordon"; together with SVP, the "Second Lien Lead Investors") and such other financial institutions or entities acceptable to the Second Lien Lead Investors (including assignees thereof, collectively, the "DIP Lenders").

FACILITIES**Term Loan Commitment and Availability:**

A six-month term loan facility (the "DIP Facility") in the amount of \$20,000,000 (the loans thereunder, the "DIP Loans"). The DIP Loans shall be repaid on the earlier to occur of (x) the six month anniversary of the Closing Date referred to below (as may be extended pursuant to the terms set forth below, the "DIP Maturity Date"), (y) the consummation of the Plan (as defined in the Restructuring Agreement referred to below); provided that the DIP Maturity Date shall be automatically extended (without any fee) to the 285th day after the Petition Date if on the sixth month anniversary of the Closing Date (1) the Plan has been confirmed by the Bankruptcy Court and (2) the only outstanding condition precedent to consummation of the Plan is the Federal Communications Commission's ("FCC") initial approval of the restructuring contemplated by the Plan becoming a final order and (z) upon the mutual agreement of the DIP Lenders and the Borrower.

The DIP Loans shall be made in no more than four drawings of \$5 million each, with a first draw on the DIP Closing Date and the subsequent draws no earlier than one business day after the entry of the final order approving the DIP Facility and subject to other terms and conditions to be agreed upon.

The Borrower shall not be, and is not, required to draw on any portion of the DIP Facility, nor is Borrower required to file any motion with the Bankruptcy Court to approve the DIP Facility. In the event Borrower does not secure Bankruptcy Court approval of the DIP Facility, no fees of any kind shall be payable in respect thereof. In the event Borrower secures Bankruptcy Court approval for the DIP Facility but does not draw thereon, only the Commitment Fee called for herein shall be payable.

Purpose:

The proceeds of the DIP Loans shall be used for working capital and other general corporate purposes of the Loan Parties in accordance with the Budget (as defined below).

Commitment Fee:

3% of the DIP Facility, to be paid on the DIP Closing Date ratably to each DIP Lender based upon its commitment under the DIP Facility.

Interest Rate:

LIBOR (to be defined in a manner to be agreed upon, including a floor of 2.5%) plus 11% or, at the Borrower's option, ABR (to be defined in a manner to be agreed upon, including a floor of 3.5%) plus 10%, payable monthly in arrears.

Default Interest:

Upon the occurrence and during the continuance of any event of default under the DIP Facility, interest shall be payable on all outstanding obligations on demand at 2.0% above the then applicable rate.

GENERAL PROVISIONS**Priority and Liens:**

All DIP Loans and other obligations under the DIP Facility (and all guaranties of the foregoing by the Guarantors), shall at all times:

- I. pursuant to Section 364(c)(1) of the Bankruptcy Code, be entitled to joint and several superpriority claim status in the Cases with such superpriority claims to be junior in priority to any superpriority claims granted to the Debtors' first lien lenders but senior to any superpriority claims granted to the Debtors' second lien lenders; and
- II. pursuant to Section 364(c)(2) of the Bankruptcy Code, be secured by a perfected first priority lien on all property of the Debtors' respective estates in the Cases that is not subject to valid, perfected and non-avoidable liens in existence at the time of the commencement of the Cases or to valid liens in existence at the time of such commencement that are perfected subsequent to such commencement as permitted by Section 546(b) of the Bankruptcy Code; and
- III. pursuant to Section 364(c)(3) of the Bankruptcy Code, be secured by a perfected junior lien on all property of the Debtors' respective estates in the Cases that is subject to valid, perfected and non-avoidable liens in existence at the time of the commencement of the Cases or to valid liens in existence at the time of such commencement that are perfected subsequent to such commencement as permitted by Section 546(b) of the Bankruptcy Code, except in each case as described below in paragraph IV; and
- IV. pursuant to Section 364(d)(1) of the Bankruptcy Code, be secured by a perfected priming lien on, and security interest in, all present and after acquired property of the Debtors' respective estates that is subject to a valid, perfected and non-avoidable liens in existence at the time of the commencement of the Cases to secure the Second Lien Credit Agreement and all present and after-acquired assets that are presently subject to liens that are junior to the liens that secure the Second Lien Credit Agreement, provided that the priming liens described in this paragraph IV shall be junior in all respects to the liens granted to the first lien lenders, including any replacement liens granted to such lenders as adequate protection;

subject in each case to, in the event of the occurrence and during the continuance of an Event of Default, a carve-out of \$750,000 for unpaid fees and expenses of professionals and the United States Trustee incurred after an Event of Default.

Optional and Mandatory
Prepayments:

Market terms for financings of this type.

Conditions to Initial of
Extensions Credit:

Market terms for financings of this type and, in addition, the making of the initial extension of credit shall be subject to the satisfaction of the following conditions (the date on which all such conditions precedent shall be satisfied, the "DIP Closing Date"):

- (a) The interim order approving the DIP Facility and providing for

the use of the pre-petition lenders' cash collateral, in form and substance reasonably satisfactory to the DIP Lenders (the "Interim Order"), shall have been entered by the bankruptcy court having jurisdiction over the Cases (the "Bankruptcy Court"), shall be in full force and effect and shall not be subject to any stay.

- (b) The Administrative Agent shall have received (i) a monthly budget for the six months following the Petition Date and (ii) a thirteen-week budget for the period of thirteen weeks following the Petition Date (the "Initial Budget"), in each case in form and substance reasonably satisfactory to the DIP Lenders.

Conditions to Subsequent Extensions of Credit

- (a) The final order approving the DIP Facility, substantially in the form of the Interim Order and otherwise in form and substance reasonably satisfactory to the DIP Lenders, shall have been entered by the Bankruptcy Court within 30 days after entry of the Interim Order, shall be in full force and effect and shall not be subject to any stay.
- (b) The accuracy in all material respects of all representations and warranties in the Credit Documentation.
- (c) There being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit.

Adequate Protection

Usual and customary adequate protection in the form of (i) superpriority claims and replacement liens, which in the case of the Debtors' first lien lenders shall be senior to all other pre-petition and post-petition liens, (ii) payment of reasonable fees and expenses of the administrative agents to the prepetition second lien credit agreement, including payment of the reasonable fees and expenses of Broadpoint Capital, Inc., Dechert LLP and Paul, Weiss, Rifkind, Wharton & Garrison LLP (solely as FCC counsel) in their capacities as professional advisors to the second lien administrative agent, as well as the reasonable fees and expenses of one local counsel to the second lien administrative agent, to the extent applicable and (iii) financial reporting in accordance with the terms of the Second Lien Credit Agreement.

Events of Default:

Market terms for financings of this type, as well as a "Termination Event" occurring under the Restructuring Support Agreement, dated as of December 19, 2009 (as amended, supplemented or otherwise modified from time to time, the "Restructuring Agreement") and not being waived in accordance with the terms thereunder.

Representations and Warranties; Financial and Other Covenants; Assignments and Participations; Indemnification; Voting

Market terms for financings of this type.

Expenses:

The Borrower will pay or reimburse the DIP Lenders for their

reasonable out-of-pocket fees and expenses incurred in connection with the Cases.

Governing Law:

State of New York, except as governed by the Bankruptcy Code and the rules, regulations and policies of the FCC, including but not limited to any restrictions on pledging FCC licenses.

Events of Default

The occurrence of any of the following shall be an "Event of Default":

1. the occurrence of a "Termination Event" under the Restructuring Support Agreement, dated as of December 18, 2009 (as amended, supplemented or otherwise modified from time to time, the "Restructuring Agreement"), among the Lead DIP Lenders, NextMedia Investors LLC, the Debtors, the Second Lien Agent and the Second Lien Lenders parties thereto, and such event not having been cured or waived by the terms thereunder within five business days of such occurrence;

2. the Debtors fail, on or before the 30th day after the Petition Date (or such later date as may be agreed to by the Debtors and the Lead DIP Lenders), to obtain an order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Lead DIP Lenders, assuming the obligations of the Debtors under that commitment letter, dated as of December 10, 2009, governing the equity investment and exit term facility to be provided by the Lead DIP Lenders;

3. the 15th day after the Petition Date, unless the Debtors have filed with the Bankruptcy Court (a) a plan of reorganization, incorporating the terms of the Restructuring Agreement and the restructuring term sheet attached thereto as an exhibit (the "Restructuring Term Sheet") and otherwise in form and substance reasonably satisfactory to the Lead DIP Lenders (the "Plan") and (b) the related disclosure statement, in form and substance reasonably satisfactory to the Lead DIP Lenders (the "Disclosure Statement");

4. (a) the Debtors file any amendment to, modification of, or the filing of a pleading by any of the Debtors that seeks to amend or modify the Plan, the Disclosure Statement or any documents related to the Plan, notices, exhibits or appendices, which amendment, modification or filing is, within the reasonable judgment of the Lead DIP Lenders, inconsistent with Restructuring Term Sheet and (b) the Debtors take any of the following actions: withdrawing the Plan, publicly announcing their intention not to support the Plan or filing any alternative plan of reorganization other than the Plan or otherwise evincing an intention not to proceed with the Plan;

5. the 60th day after the Petition Date, unless the Bankruptcy Court shall have approved the Disclosure Statement prior thereto;

6. the 100th day after the Petition Date, unless the Bankruptcy Court shall have entered an order, in form and substance reasonably satisfactory to the Lead DIP Lenders, confirming the Plan (a "Confirmation Order") prior thereto;

7. any court of competent jurisdiction or other competent governmental or regulatory authority issues an order making illegal or otherwise restricting, preventing or prohibiting the consummation of the transactions contemplated by the Restructuring Term Sheet or the Plan in a way that cannot be reasonably remedied by the Debtors;

8. the later of (a) 15th day after public notice of the consent from FCC of the pro forma involuntary applications approving the assignment of FCC licenses from the Debtors to the Debtors, as debtors-in-possession and (b) two days after the Plan is filed with the Bankruptcy Court, unless the Debtors have filed one or more applications with the FCC seeking approval of the transactions contemplated by the Restructuring Term Sheet and the Plan;

9. the 180th day after entry of the Confirmation Order, unless the FCC has granted an initial order consenting to the restructuring contemplated by the Plan and Restructuring Term Sheet and the transfers contemplated thereby (excluding the transfer of any station with respect to which waivers were requested to enable the preservation of their grandfathered status under the FCC's media ownership rules, which consists of certain radio stations in Chicago, Illinois and Greenville-New Bern-Jacksonville, North Carolina) (the "Initial Approval");

10. if no objection has been filed to the Initial Approval, the 60th day after the date on which the FCC has granted the Initial Approval, unless the Initial Approval has become a final order and the Debtors have otherwise consummated the Plan pursuant to the terms thereof;

11. the 270th day after date on which the FCC has granted the Initial Approval, unless the Initial Approval has become a final order and the Debtors have otherwise consummated the Plan pursuant to the terms thereof;

12. any of the Cases shall be dismissed or converted to a chapter 7 case, or a chapter 11 trustee with plenary powers, a responsible officer, or an examiner with enlarged powers shall be appointed in any of the Cases or the Debtors shall file a motion or other request for any such relief;

13. the entry of any order in the Cases terminating the Debtors' exclusive right to file a plan or plans of reorganization pursuant to section 1121 of the Bankruptcy Code;

14. the 30th day after the Petition Date, unless a final order approving the debtor-in-possession financing pursuant to the DIP Documents, in substantially the form of this Order and otherwise in form and substance reasonably satisfactory to the Lead DIP Lenders, has been entered;

15. any Debtor proposes or files a motion with respect to or enter into a debtor in possession financing facility other than the DIP Documents;

16. either (a) a filing by any Debtor of any motion, application or adversary proceeding challenging the validity, enforceability, perfection or priority of or seeking avoidance

of the Second Lien Obligations or any other cause of action against and/or with respect to the Second Lien Obligations, the Prepetition Liens, the Second Lien Agent or any of the Second Lien Lenders (or if any Debtor supports any such motion, application or adversary proceeding commenced by any third party or consent to the standing of any such third party), or (b) the entry of an order of the Bankruptcy Court providing relief against the interests of any Second Lien Lender or the Second Lien Agent with respect to any of the foregoing causes of action or proceedings;

17. entry of an order or orders by the Bankruptcy Court granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code in respect of the Debtors' assets having a value in excess of \$100,000;

18. any event, circumstance or change has occurred that has caused or evidences, either in a case or in the aggregate, a Material Adverse Effect (as defined in the DIP Commitment Letter);

19. the Debtors shall make any dividend, loan or other transfer to NextMedia Investors LLC in excess of an amount necessary for NextMedia Investors LLC to pay out-of-pocket legal fees and other administrative expenses incurred in the ordinary course of business;

20. (a) At the end of each one-week period set forth in the Initial Budget commencing with the week ending January 15, 2010, (i) the aggregate cumulative expenditures and disbursements by the Borrower for the period from the date of initial funding of the DIP Loans through the last day of such one-week period shall exceed one hundred fifteen percent (115%) of the aggregate cumulative amount budgeted for such cumulative time period pursuant to the Budget; and (ii) the aggregate cumulative receipts by the Borrower for the period from the date of initial funding of the DIP Loans through the last day of such one-week period shall be less than eighty-five percent (85%) of the aggregate cumulative amount budgeted for such cumulative time period pursuant to the Budget or (b) the Debtors shall fail to deliver no later than Friday of each calendar week, a comparison of actual weekly cash flows for the week immediately preceding the week in which such comparison is delivered to the Budget, and a comparison of cumulative actual weekly cash flows from the date of initial funding of the DIP Loans through the week immediately preceding the week in which such comparison is delivered to the Budget;

21. (a) an order of the Bankruptcy Court shall be entered granting another superpriority claim or lien *pari passu* with or senior to that granted (x) to the DIP Lenders, or (y) to the Second Lien Lender), in each case other than as set forth in the First Lien Cash Collateral Order (b) an order of the Bankruptcy Court shall be entered reversing, staying for a period in excess of 10 days, vacating or otherwise amending, supplementing or modifying the Interim Order without the written consent of the Lead DIP Lenders; (c) the Cash Collateral shall be used in a manner inconsistent with this Order, or (d) an order of a court of competent jurisdiction shall be entered terminating the use of the Cash Collateral;

22. except as permitted under this Order, any proceeding shall be commenced by any Debtor seeking, or otherwise consenting to, (i) the invalidation, subordination or other challenging of the DIP Superpriority Claims and DIP Liens granted to secure the DIP Obligations or (ii) any relief under Section 506(c) of the Bankruptcy Code with respect to any DIP Collateral; or

23. this Order shall cease, for any reason, to be in full force and effect, or any Debtor or any affiliate of any Debtor shall so assert, or any DIP Liens or DIP Superpriority Claims created by this Order shall cease to be enforceable and of the same effect and priority purported to be created thereby other than by reason of the release thereof in accordance with the terms of this Order or the DIP Documents.

In addition to the terms and conditions set forth in the Term Sheet and this Order, the initial DIP Loans may be borrowed under this Order and the Term Sheet subject to the following:

1. receipt by the Lead DIP Lenders by no later than 10:00 A.M., New York time, one business day prior to the anticipated borrowing date of a notice of borrowing (which may be made by email) from the Borrower specifying (x) the amount of the requested DIP Loans which shall be in an amount not to exceed \$5,000,000 and (y) wiring instructions for the proceeds of the DIP Loans;
2. the Lead DIP Lenders shall be permitted to deduct from the DIP Loan proceeds the fees and expenses to be paid by the Borrower on the DIP Closing Date (as defined in the Term Sheet), including without limitation the Commitment Fee described in the Term Sheet;
3. the DIP Loans shall bear interest at the Eurodollar Rate¹ for three-month interest periods, plus 11%; and
4. interest on the DIP Loans shall be computed on the basis of a 360-day year basis and shall be payable in arrears on the last business day of each calendar month to the accounts designated by the Lead DIP Lenders to the Borrower.

¹ "Eurodollar Rate" means, for any interest period, a rate of interest determined by the Lead DIP Lenders equal to the offered rate for deposits in U.S. dollars for the applicable interest period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time), on the second full business day (or such shorter period as the Lead DIP Lenders may agree) next preceding the first day of such Interest Period (unless such date is not a business day, in which event the next succeeding business day will be used). If such interest rates shall cease to be available from Reuters, the Eurodollar Rate shall be determined from such financial reporting service or other information as shall be available to the Lead DIP Lenders. Notwithstanding any of the foregoing, for purposes of this Order at no time shall the Eurodollar Rate be less than 2.5%.

The Budget

NextMedia Group DIP Budget - December

Week Ended
Cash Flow Actual/Forecast

Actuals / Quarterly

	10/29/10	11/05/10	11/12/10	11/19/10	11/26/10	12/03/10	12/10/10	12/17/10	12/24/10	12/31/10	12/31/10
Cash Receipts											
AR - cash	1,056,321	1,056,321	1,056,321	1,031,321	1,424,590	1,483,771	1,483,771	1,459,771	1,555,464	1,653,340	1,653,340
Other	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	1,056,321	1,056,321	1,056,321	1,031,321	1,424,590	1,483,771	1,483,771	1,459,771	1,555,464	1,653,340	1,653,340
Cash Disbursements											
Payroll	-	(1,048,812)	-	(1,048,812)	(835,708)	(1,048,812)	(1,048,812)	(218,707)	(220,259)	(1,048,812)	(1,048,812)
Accounts Payable	(222,852)	(213,782)	(267,343)	(227,077)	(635,708)	(2,717,740)	(2,717,740)	(2,717,740)	(2,717,740)	(2,717,740)	(2,717,740)
Other Lease Payments/Rent	-	(47,593)	-	-	(895,844)	(47,603)	(47,603)	(47,603)	(895,844)	(47,603)	(895,844)
Total Op. Cash Disbursements	(222,852)	(1,311,177)	(267,343)	(1,275,889)	(1,521,352)	(1,321,552)	(1,321,552)	(2,948,053)	(2,348,053)	(2,211,512)	(2,211,512)
Net Operating Cash Flow	833,469	(254,856)	788,978	(244,568)	(103,758)	162,218	1,162,218	1,318,460	1,307,411	441,828	441,828
Non-Operating Payments											
1 term (cash)	-	(18,750)	-	-	(193,836)	(193,836)	(193,836)	-	-	(18,750)	(18,750)
Check	(230,804)	(193,936)	(193,936)	(193,936)	(193,936)	(193,836)	(193,836)	(193,936)	(193,936)	(193,936)	(193,936)
Interest Expense / Fees	-	-	-	-	-	-	-	-	-	-	-
Pre-emption notice interest	-	-	-	-	-	-	-	-	-	-	-
Pre-emption term loan interest	-	-	-	-	-	-	-	-	-	-	-
DIP facility interest	-	-	-	(148,750)	-	-	-	-	-	-	-
SYP/MG Commitment Fee	-	-	-	-	-	-	-	-	-	-	-
SYP/MG DIP Fee	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	-	(2,813,609)	-	-	-	(1,281,000)	-	-	-	(1,281,000)	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Payments	(230,804)	(3,046,289)	(193,936)	(342,686)	(193,836)	(1,474,936)	(1,474,936)	(1,167,716)	(96,868)	(1,417,668)	(1,417,668)
Total Cash Disbursements	(913,656)	(4,957,465)	(461,479)	(1,518,575)	(1,515,468)	(2,796,468)	(2,796,468)	(3,900,028)	(3,000,877)	(2,747,042)	(2,747,042)
Key Balances											
Beginning Cash Balance (per Bank)	\$ 9,077,147	\$ 8,598,614	\$ 6,299,470	\$ 6,533,312	\$ 6,271,118	\$ 8,180,220	\$ 9,887,583	\$ 10,871,245	\$ 11,829,038	\$ 12,374,394	\$ 11,280,682
Net Cash Inflow / (Outflow)	542,465	(3,301,142)	394,042	(382,184)	(80,886)	(1,312,717)	1,133,742	957,784	(889,505)	1,334,060	(1,308,702)
Draw/(Recovery)	-	-	-	-	-	5,000,000	-	-	-	-	-
Ending Cash Balance (per book)	\$ 9,539,611	\$ 9,298,470	\$ 6,533,312	\$ 6,271,118	\$ 5,190,230	\$ 8,867,503	\$ 10,871,245	\$ 11,429,029	\$ 11,039,534	\$ 12,374,394	\$ 11,280,682

DIP Liabilities

	10/29/10	11/05/10	11/12/10	11/19/10	11/26/10	12/03/10	12/10/10	12/17/10	12/24/10	12/31/10	12/31/10
Beginning Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Ending Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Total DIP	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Available Under DIP	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

Compliance Summary:

	10/29/10	11/05/10	11/12/10	11/19/10	11/26/10	12/03/10	12/10/10	12/17/10	12/24/10	12/31/10	12/31/10
Cumulative Receipts (Budgeted)	20,868,831	21,743,152	22,799,473	23,820,784	25,255,384	26,729,154	28,222,825	29,641,686	31,237,160	32,860,530	34,518,870
Cumulative Receipts (Compliance @ 85.0%)	17,538,086	18,481,679	19,378,532	20,288,175	21,467,076	22,728,281	24,069,488	25,494,488	26,557,671	27,859,851	29,362,280
Cumulative Disbursements (Budgeted)	30,281,935	34,539,389	35,100,876	36,714,391	38,229,879	41,028,387	41,608,386	41,907,372	44,352,371	47,417,884	47,755,124
Cumulative Disbursements (Compliance @ 115.0%)	34,524,225	39,523,307	40,366,008	42,221,590	43,964,361	47,180,323	47,617,355	48,193,478	51,008,227	51,374,479	54,530,578

(1) Prior year of 15% and 10% statements (Q1-10 and Q3-10) respectively. Applicable month includes 20% default rate.
 (2) Assume subsequent DIP drawdowns in 2010 or 2011 occur February 1, March 28, and May 10.