

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
INNER CITY MEDIA CORPORATION, *et al.*, : Case No. 11-13967 (SCC)  
Debtors. : Jointly Administered  
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**SIXTH INTERIM ORDER (I) AUTHORIZING DEBTORS TO USE  
CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION  
TO AGENT AND SENIOR LENDERS, AND (III) GRANTING RELATED RELIEF**

Upon the motion, dated September 8, 2011 (the "Motion"),<sup>1</sup> of Inner City Media Corporation and certain of its affiliates, each as a debtor and debtor in possession (the "Debtors") in the above-captioned cases (the "Cases"), pursuant to sections 105, 361, 362, 363(c)(2), 363(e), and 507 of the Bankruptcy Code, Bankruptcy Rules 4001 and 9014, and Local Rule 4001-2, for entry of interim and final orders (i) authorizing the Debtors to use cash collateral, (ii) granting adequate protection to the Agent and the Senior Lenders, and (iii) granting certain related relief, all as more fully set forth in the Motion; and the Interim Hearing having been held by this Court on September 9, 2011; and the Court having entered on September 9, 2011 an interim order authorizing the Debtors to use Cash Collateral through and including October 9, 2011 (the "First Interim Order") [Docket No. 68], subject to and in accordance with the terms and provisions of the First Interim Order and the Approved Budget attached thereto; and the Court having entered on October 6, 2011 a further interim order authorizing the Debtors to use Cash Collateral through and including November 7, 2011 (the "Second Interim Order") [Docket No. 115], subject to and

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<sup>1</sup> Except as otherwise noted, capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the First Interim Order (defined below).

in accordance with the terms and provisions of the Second Interim Order and the Approved Budget attached thereto; and the Court having entered on November 9, 2011 a further interim order authorizing the Debtors to use Cash Collateral through and including November 17, 2011 (the “Third Interim Order”) [Docket No. 186], subject to and in accordance with the terms and provisions of the Third Interim Order; and the Court having entered on November 17, 2011 a further interim order authorizing the Debtors to use Cash Collateral through and including December 5, 2011 (the “Fourth Interim Order”) [Docket No. 197], subject to and in accordance with the terms and provisions of the Fourth Interim Order and the Approved Budget attached thereto; and the Court having entered on December 5, 2011 a further interim order authorizing the Debtors to use Cash Collateral through and including December 8, 2011 (the “Fifth Interim Order”) [Docket No. 212], subject to and in accordance with the terms and provisions of the Fifth Interim Order; and pursuant to the Fifth Interim Order, the Debtors’ authorization to use Cash Collateral may be further extended pursuant to a Successive Interim Order or Final Order, as applicable; and the Senior Lenders and the Debtors have reached agreement upon the terms of this Successive Interim Order (this “Sixth Interim Order”) and the accompanying Approved Budget attached as Exhibit A hereto (the “Approved Budget”), with respect to the Debtors’ use of Cash Collateral through and including January 9, 2012 (the “Termination Date,” and such period from the expiration of the Fifth Interim Order through and including the Termination Date, the “Sixth Interim Period”), pending a subsequent hearing to be held on or before the Termination Date to consider either the entry of a further Successive Interim Order or a Final Order, as applicable; and the Court having found and determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the

relief granted herein; and as evidenced by the affidavit of service filed on the docket in these Cases [Docket No. 214], the Debtors having given timely and proper notice of the December 8, 2011 hearing to consider entry of a further order authorizing the Debtors to use Cash Collateral (the "Sixth Interim Hearing"), to (a) the United States Trustee for the Southern District of New York; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the Senior Lenders; (d) counsel to the Agent; (e) counsel to Inner City Broadcasting Corporation; and (f) all other parties that had filed notices of appearance in the Cases, and such notice represents sufficient and adequate notice pursuant to Bankruptcy Rule 4001 and no further notice of, or hearing on, the relief sought in the Motion and the entry of the Sixth Interim Order is necessary or required except as set forth hereinafter; and after due deliberation, and sufficient cause appearing therefor, and upon the record of the Sixth Interim Hearing, and all of the proceedings had before the Court;

**IT IS HEREBY ORDERED, ADJUDGED,  
AND DECREED THAT:<sup>2</sup>**

A. The Fifth Interim Order shall be and hereby is amended solely as follows:

1. **Use of Cash Collateral.** The Debtors are authorized, pursuant to section 363(c)(2)(B) of the Bankruptcy Code, to use Cash Collateral during the Sixth Interim Period, provided, that the grant of Adequate Protection to the Agent and the Senior Lenders shall and hereby does remain in full force and effect, and provided, further, that for the avoidance of

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<sup>2</sup> The findings and conclusions set forth in this Sixth Interim Order constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

doubt, notwithstanding anything herein to the contrary, the Debtors' authorization to use Cash Collateral pursuant to this Sixth Interim Order, and the consent of the Senior Lenders and the Agent with respect thereto, extends solely for the Sixth Interim Period, and the Debtors, the Senior Lenders, and the Agent reserve all rights with respect to any proposed use of Cash Collateral beyond such Sixth Interim Period. The Debtors shall use the Cash Collateral solely in accordance with this Sixth Interim Order, the Approved Budget, the 13-week professional accrual budget attached as Exhibit B hereto, and the other Cash Collateral Documents, and the Cash Collateral shall be used exclusively to fund working capital and general corporate purposes of the Debtors during the Sixth Interim Period, and the costs, fees, and expenses incurred in connection with the administration and prosecution of the Cases. The Debtors' right to use Cash Collateral under this Sixth Interim Order shall terminate upon the occurrence of an Event of Default, subject only to the Remedies Notice Period. The Agent and the Senior Lenders have consented to the Debtors' use of the Cash Collateral during the Sixth Interim Period, subject to the terms of this Sixth Interim Order, the Approved Budget, and the other Cash Collateral Documents.

2. **Adequate Protection Fees and Expenses.** For purposes of the Sixth Interim Order, paragraph 3(d) of the First Interim Order shall be amended to read as follows:

Fees and Expenses. The Debtors shall pay (i) all reasonable fees and out-of-pocket costs and expenses of the Agent (including, but not limited to, reasonable fees and out-of-pocket costs and expenses of counsel to the Agent) incurred after August 19, 2011 up to an aggregate amount of \$50,000 per month (the "Agent Fees and Expenses") and (ii) all reasonable fees and out-of-pocket costs and expenses of the Senior Lenders (including, but not limited to, reasonable fees and out-of-pocket costs and expenses of counsel to the Senior Lenders) incurred after August 19, 2011 up to an aggregate amount of \$500,000 (the "Senior Lenders Fees and Expenses"), all promptly upon receipt of invoices for such fees, costs, and expenses (with copies of such invoices provided to the U.S. Trustee and any

statutory committee of unsecured creditors appointed in the Cases (the “Committee”) (subparagraphs (c) and (d) of this paragraph 3, the “Adequate Protection Payments”); provided, that if the Agent Fees and Expenses are less than \$50,000 in any monthly period, the unused amount may be carried over to future Agent Fees and Expenses periods. No such fees, costs, and expenses payable pursuant this subparagraph d shall be subject to separate approval by the Court (but the Court shall resolve any dispute as to the reasonableness of any such fees, costs, and expenses), and no recipient of any such payment shall be required to file any interim or final fee applications with respect to the Agent Fees and Expenses or the Senior Lenders Fees and Expenses. In the event the Court determines by final, non-appealable order that any Adequate Protection Payment was improper as a result of application of section 506(b) of the Bankruptcy Code, such Adequate Protection Payments shall be subject to total or partial application to principal (as the Court may determine).

3. **Amended Milestones.** For purposes of the Sixth Interim Order, the milestones set forth in section 3(i) of the First Interim Order and section 2 of the Second Interim Order and Fourth interim Order shall be amended to read as follows:

The Debtors shall take the actions identified below on or before the following dates:

- i. On or before December 19, 2011, the Debtors shall have filed with the Court (i) a motion seeking approval of the procedures relating to the sale of all or substantially all of the Debtors’ assets (the “Sale Procedures”), (ii) a proposed order approving the Sale Procedures, (iii) a proposed order approving the sale transaction contemplated under the Sale Procedures, and (iv) appropriate supporting declarations, in each case, in form and substance acceptable to the Debtors and the Senior Lenders.

4. **ICBC Challenge Period.** For purposes of the Sixth Interim Order, the second sentence in section 14(b) of the First Interim Order and paragraph 4 of the Fifth Interim Order shall be amended to read as follows:

Notwithstanding anything contained in this Interim Order to the contrary, and subject to the Limitations, the extent, validity, priority, perfection and enforceability of the Prepetition Indebtedness, and Prepetition Liens, and all acknowledgments, admissions, confirmations, and releases of the Debtors above, are for all purposes subject to the rights of any party in interest, other than a Debtor, to seek to invalidate, or otherwise challenge the Prepetition Indebtedness or the Prepetition Liens, including by properly filing a complaint pursuant to Bankruptcy Rule 7001 or by otherwise properly asserting a contested matter (any of these actions, a “Challenge”); provided, that any such Challenge must be commenced or asserted in this Court within sixty (60) days after entry of any

Successive Interim Order or the Final Order (whichever is earlier), if brought by any non-Debtor party in interest other than ICBC; provided, however, that any such Challenge that is brought by ICBC shall be deemed timely if commenced or asserted in this Court on or before January 16, 2012, which date may be further extended by the written consent of the Senior Lenders and ICBC.

**5. Events of Default.** For purposes of this Sixth Interim Order, the Event of Default set forth in section 9(a) of the First Interim Order shall be amended to read as follows: “A further Successive Interim Order or the Final Order shall not have been entered by the Court by no later than January 9, 2012.”

**6. Terms of Prior Orders Remain In Effect.** All of the terms and provisions of the First Interim Order, the Second Interim Order, the Third Interim Order, the Fourth Interim Order and the Fifth Interim Order not expressly amended or modified by the terms and provisions hereof shall and hereby do remain in full force and effect during the Sixth Interim Period.

**7. Notice of Successive Interim or Final Hearing.** The Debtors shall promptly serve copies of this Sixth Interim Order and a notice of the hearing to consider entry of a Successive Interim Order or Final Order, as applicable (the “Subsequent Hearing Notice”), to be held on **January 9, 2012 at 2:00 p.m. (EST)**, on (a) the United States Trustee for the Southern District of New York; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the Senior Lenders; (d) counsel to the Agent; (e) counsel to Inner City Broadcasting Corporation; and (f) all other parties that have filed notices of appearance in the Cases (collectively, the “Notice Parties”). The Subsequent Hearing Notice shall state that any party in interest objecting to entry of the Successive Interim Order or Final Order, as applicable, shall file written objections with the Court no later than **4:00 p.m. (EST) on January 2, 2012**, which

objections shall be served so that the same are received on or before such date and time by the Debtors and the Notice Parties.

**8. Effectiveness.** This Sixth Interim Order shall be effective and enforceable immediately upon entry.

**9. Jurisdiction.** The Court has and will retain jurisdiction to enforce this Sixth Interim Order according to its terms.

Dated: December 8, 2011  
New York, New York

/S/ Shelley C. Chapman  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**

**Approved Budget**



**Exhibit B**

**13 Week Professional Fee Budget**

**Inner City Media Corporation  
Consolidated (\$000)**

|   | 1              | 2               | 3               | 4               | 5             | 6              | 7              | 8              | 9             | 10             | 11             | 12             | 13            |                  |
|---|----------------|-----------------|-----------------|-----------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|------------------|
|   | W/E<br>12/9/11 | W/E<br>12/16/11 | W/E<br>12/23/11 | W/E<br>12/30/11 | W/E<br>1/6/12 | W/E<br>1/13/12 | W/E<br>1/20/12 | W/E<br>1/27/12 | W/E<br>2/3/12 | W/E<br>2/10/12 | W/E<br>2/17/12 | W/E<br>2/24/12 | W/E<br>3/2/12 | 13-week<br>Total |
| <b>Cash at beginning of period</b>              | 3,069          | 2,928           | 1,979           | 2,473           | 2,591         | 2,894          | 1,616          | 2,110          | 2,269         | 2,161          | 1,254          | 2,989          | 2,917         | 3,069            |
| <b>Cash Receipts:</b>                           |                |                 |                 |                 |               |                |                |                |               |                |                |                |               |                  |
| Ad Revenue Collection                           | 936            | 936             | 936             | 936             | 898           | 898            | 898            | 898            | 898           | 888            | 888            | 888            | 888           | 11,786           |
| Syndication Profit Payment                      | -              | -               | -               | -               | -             | -              | -              | -              | -             | -              | 1,200          | -              | -             | 1,200            |
| Other Collections                               | -              | -               | -               | -               | -             | -              | -              | -              | -             | -              | -              | -              | -             | -                |
| <b>Total Receipts</b>                           | 936            | 936             | 936             | 936             | 898           | 898            | 898            | 898            | 898           | 888            | 2,088          | 888            | 888           | 12,986           |
| <b>Cash Disbursements</b>                       |                |                 |                 |                 |               |                |                |                |               |                |                |                |               |                  |
| <b>Operating</b>                                |                |                 |                 |                 |               |                |                |                |               |                |                |                |               |                  |
| Salaries, Wages                                 | -              | 441             | -               | 441             | -             | 452            | -              | 452            | -             | 452            | -              | 452            | -             | 2,690            |
| Commissions, Bonus                              | -              | 331             | -               | -               | -             | 382            | -              | -              | -             | 340            | -              | -              | -             | 1,053            |
| Payroll Taxes                                   | -              | 44              | -               | 26              | -             | 49             | -              | 27             | -             | 46             | -              | 27             | -             | 219              |
| Employee Benefits                               | -              | 8               | 150             | 75              | 11            | 8              | 150            | -              | 86            | -              | 8              | 150            | 86            | 732              |
| Music License Fees, Syndication, Talent         | 114            | 140             | 2               | 3               | 131           | 223            | 2              | 2              | 381           | 80             | 140            | 2              | 132           | 1,352            |
| National Rep Commission                         | -              | 72              | -               | -               | -             | 72             | -              | -              | -             | -              | 72             | -              | -             | 216              |
| Rent, Property Taxes, Insurance                 | 146            | 29              | -               | 34              | 233           | 39             | -              | 34             | 277           | 71             | -              | 34             | 231           | 1,128            |
| Insurance Premium                               | -              | -               | -               | 24              | -             | -              | -              | -              | 24            | -              | -              | -              | 24            | 72               |
| Research  | -              | 15              | 151             | -               | 71            | 15             | 151            | -              | 71            | -              | 15             | 151            | 71            | 711              |
| Audit, Tax, Legal Fees                          | 17             | 8               | 59              | 9               | 17            | 8              | 3              | 63             | 17            | 8              | 4              | 64             | 17            | 294              |
| Other Operating                                 | 90             | 170             | 55              | 50              | 77            | 159            | 53             | 46             | 75            | 74             | 74             | 55             | 109           | 1,087            |
| Contingency                                     | 25             | 25              | 25              | 25              | 25            | 25             | 25             | 25             | 25            | 25             | 25             | 25             | 25            | 325              |
| <b>Sub-total Operating Disbursements</b>        | 392            | 1,283           | 442             | 687             | 565           | 1,432          | 384            | 649            | 956           | 1,096          | 338            | 960            | 695           | 9,879            |
| <b>Bankruptcy Disbursements<sup>1</sup></b>     |                |                 |                 |                 |               |                |                |                |               |                |                |                |               |                  |
| Debtor's Counsel (Akin, Gump)                   | 396            | -               | -               | -               | -             | 450            | -              | -              | -             | 450            | -              | -              | -             | 1,296            |
| Lenders' Counsel                                | -              | 500             | -               | -               | -             | -              | -              | -              | -             | -              | -              | -              | -             | 500              |
| Debtor's Financial (Rothschild)                 | 135            | -               | -               | -               | -             | 135            | -              | -              | -             | 135            | -              | -              | -             | 405              |
| Debtor's Financial (MGBD)                       | 54             | -               | -               | -               | -             | 68             | -              | -              | -             | 54             | -              | -              | -             | 176              |
| Debtor's Tax Advisor (Deloitte)                 | 35             | -               | -               | -               | -             | 35             | -              | -              | -             | 35             | -              | -              | -             | 105              |
| Public Affairs                                  | -              | 15              | -               | -               | -             | 15             | -              | -              | -             | -              | 15             | -              | -             | 45               |
| Noticing Agent                                  | 25             | -               | -               | -               | -             | 25             | -              | -              | -             | 25             | -              | -              | -             | 75               |
| First Lien Agent                                | -              | 54              | -               | -               | -             | -              | 20             | -              | 20            | -              | -              | -              | 20            | 114              |
| Chief Restructuring Officer                     | -              | -               | -               | -               | 30            | -              | -              | -              | 30            | -              | -              | -              | 30            | 90               |
| US Trustee                                      | -              | -               | -               | 41              | -             | -              | -              | -              | -             | -              | -              | -              | -             | 41               |
| Employee Payments above Statutory Cap           | -              | 33              | -               | -               | -             | 16             | -              | -              | -             | -              | -              | -              | -             | 49               |
| Communications Advisor (Patrick Communications) | 40             | -               | -               | -               | -             | -              | -              | -              | -             | -              | -              | -              | -             | 40               |
| Utility Deposits <sup>2</sup>                   | -              | -               | -               | -               | -             | -              | -              | -              | -             | -              | -              | -              | -             | -                |
| <b>Sub-total Bankruptcy Disbursements</b>       | 685            | 602             | -               | 41              | 30            | 744            | 20             | -              | 50            | 699            | 15             | -              | 50            | 2,936            |
| <b>Capital Expenditures</b>                     | -              | -               | -               | 90              | -             | -              | -              | 90             | -             | -              | -              | -              | 90            | 270              |
| <b>Total Disbursements</b>                      | 1,077          | 1,885           | 442             | 818             | 595           | 2,176          | 404            | 739            | 1,006         | 1,795          | 353            | 960            | 835           | 13,085           |
| <b>Weekly Cash Flow</b>                         | (141)          | (949)           | 494             | 118             | 303           | (1,278)        | 494            | 159            | (108)         | (907)          | 1,735          | (72)           | 53            | (99)             |
| <b>Cash at end of period</b>                    | 2,928          | 1,979           | 2,473           | 2,591           | 2,894         | 1,616          | 2,110          | 2,269          | 2,161         | 1,254          | 2,989          | 2,917          | 2,970         | 2,970            |

<sup>1</sup>. The Bankruptcy Disbursements do not incorporate any contingent advisor fees.

<sup>2</sup>. Utility deposits will be reconsidered based on additional requests for adequate assurance from utility providers.

**Inner City Media Corporation  
Consolidated (\$000)**

| Projected Week Ending           | Professional Fees and Expenses Incurred |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |  |
|---------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|--|
|                                 | 1                                       | 2               | 3               | 4               | 5               | 6               | 7               | 8               | 9               | 10              | 11              | 12              | 13              | 13-week           |  |
|                                 | W/E<br>12/9/11                          | W/E<br>12/16/11 | W/E<br>12/23/11 | W/E<br>12/30/11 | W/E<br>1/6/12   | W/E<br>1/13/12  | W/E<br>1/20/12  | W/E<br>1/27/12  | W/E<br>2/3/12   | W/E<br>2/10/12  | W/E<br>2/17/12  | W/E<br>2/24/12  | W/E<br>3/2/12   | Total             |  |
| <b>Company</b>                  |   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                   |  |
| Debtor's Counsel (Akin, Gump)   | \$ 137.5                                | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 137.5        | \$ 110.0        | \$ 1,760.0        |  |
| Debtor's Financial (Rothschild) | -                                       | -               | -               | -               | 165.0           | -               | -               | -               | 165.0           | -               | -               | -               | 165.0           | 495.0             |  |
| Debtor's Financial (MGBD)       | 16.5                                    | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 16.5            | 214.5             |  |
| Debtor's Tax Advisor (Deloitte) | -                                       | -               | -               | 175.0           | -               | -               | -               | 175.0           | -               | -               | -               | -               | 175.0           | 525.0             |  |
| Noticing Agent                  | 25.0                                    | -               | -               | -               | -               | 25.0            | -               | -               | -               | 25.0            | -               | -               | -               | 75.0              |  |
| First Lien Agent                | -                                       | 53.5            | -               | -               | -               | -               | 20.0            | -               | 20.0            | -               | -               | -               | 20.0            | 113.5             |  |
| CRO                             | -                                       | -               | -               | -               | 30.0            | -               | -               | -               | 30.0            | -               | -               | -               | 30.0            | 90.0              |  |
| <b>Total Fees and Expenses</b>  | <b>\$ 179.0</b>                         | <b>\$ 207.5</b> | <b>\$ 154.0</b> | <b>\$ 329.0</b> | <b>\$ 349.0</b> | <b>\$ 179.0</b> | <b>\$ 174.0</b> | <b>\$ 329.0</b> | <b>\$ 369.0</b> | <b>\$ 179.0</b> | <b>\$ 154.0</b> | <b>\$ 154.0</b> | <b>\$ 516.5</b> | <b>\$ 3,273.0</b> |  |