

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
	:	
REGUS BUSINESS CENTRE CORP., et al.,	:	Case Nos. 03-20026 (ASH) and
	:	03-20029 (ASH)
	:	(Jointly Administered)
Debtors.	:	
	:	
	:	

**ORDER CONFIRMING FIRST AMENDED JOINT PLAN
OF REORGANIZATION OF REGUS BUSINESS CENTRE
CORP., REGUS PLC, AND REGUS BUSINESS CENTRE B.V.**

The above-captioned debtors (collectively the “Debtors”) having filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on January 14, 2003; the Debtors having filed the Joint Plan of Reorganization of Regus Business Centre Corp. (“RBCC”), Regus PLC (“PLC”), and Regus Business Centre B.V. (“BV”), as amended by the First Amended Joint Plan of Reorganization of RBCC, PLC, and BV filed on October 16, 2003 (as amended and may be further amended, the “Plan”), and having filed the Disclosure Statement on August 28, 2003; the Debtors having distributed the Plan and the Disclosure Statement to all holders of Claims against the Debtors entitled to vote on the Plan, together with a solicitation of votes to accept or reject the Plan on or before November 5, 2003; and upon the Declaration of Jeffrey S. Stein of The Garden City Group, Inc. Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Joint Plan of Reorganization of RBCC, PLC and BV dated and sworn to on November 7, 2003 (the “Stein Dec.”), attesting and certifying to the extent applicable, the method and results of the ballot

tabulation for the Classes of Claims¹ entitled to vote to accept or reject the Plan; and this Court, upon motion of the Debtors, having entered an order (the “Order”) (Doc. No. 508) setting November 12, 2003 at 11:00 a.m. Eastern Daylight Time, as the date and time of a hearing pursuant to Rules 3017 and 3018 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and sections 1126, 1128, and 1129 of the Bankruptcy Code to consider Confirmation of the Plan (the “Confirmation Hearing”); and this Court having reviewed the Plan, the Disclosure Statement and the Memorandum of Law in Support of Confirmation of the First Amended Joint Plan of Reorganization (the “Confirmation Memorandum”); and this Court having heard the statements of counsel in support of Confirmation at the Confirmation Hearing; and this Court having considered all testimony presented and evidence admitted by affidavits or otherwise including Declarations of John J. Mlynski, and Michael S. Linsk (the “Supporting Declarations”); and this Court having reviewed the Proffer of Testimony in Support of the First Amended Joint Plan of Reorganization of RBCC, PLC, and BV (the “Proffer”), and upon the record of the hearing on November 12, 2003; and this Court having taken judicial notice of the papers and pleadings on file in the above-captioned Chapter 11 Cases; and it appearing to this Court that (a) notice of the Confirmation Hearing and the opportunity of any party in interest to object to Confirmation were adequate and appropriate as to all parties to be affected by the Plan and the transactions completed thereby, and (b) the legal and factual bases set forth in the Confirmation Memorandum and presented at the Confirmation Hearing including the Supporting Declarations and the Proffer, establish just cause for the relief granted herein, this Court hereby makes and issues the following findings of fact, conclusions of law, and rulings²:

¹ Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Plan and/or the Disclosure Statement.

² This Confirmation Order constitutes this Court’s findings of fact and conclusions of law under Fed. R. Civ. P. 52, as made applicable by Bankruptcy Rules 7052 and 9014. Any and all findings of fact shall constitute findings of

I. FINDINGS OF FACT

A. Jurisdiction and Venue

On the Petition Date, the Debtors commenced the Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors were and are qualified to be debtors under section 109 of the Bankruptcy Code. Venue in the Southern District of New York was proper as of the Petition Date and continues to be proper.

B. Compliance with the Requirements of Section 1129 of the Bankruptcy Code

1. Section 1129(a)(1) — Compliance of the Plan with Applicable Provisions of the Bankruptcy Code

The Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123. As required under sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, Article III of the Plan designates Classes of Claims, other than Allowed Administrative Claims, Professional Fee Claims, EOP Administrative Claims, and Priority Tax Claims.³ As required by section 1122(a) of the Bankruptcy Code, each Class of Claims contains only Claims and Equity Interests that are substantially similar to the other Claims within that Class.

Pursuant to sections 1123(a)(2) and (3) of the Bankruptcy Code, Article IV of the Plan specified all classes of Claims that are not impaired under the Plan and specifies the treatment of all Claims and Equity Interests that are impaired. As required by section 1123(a)(4) of the Bankruptcy Code, the Plan also provides the same treatment for each Claim or Equity Interest within a particular Class.

fact even if they are stated as conclusions of law, and any and all conclusions of law shall constitute conclusions of law even if they are stated as findings of fact.

³ The Allowed Administrative Claims and the Priority Tax Claims are not required to be designated pursuant to section 1123(a)(1) of the Bankruptcy Code. 11 U.S.C. § 1123(a)(1).

The Plan also provides adequate means for the Plan's implementation as required by section 1123(a)(5) of the Bankruptcy code. The Debtors will have, immediately upon the effectiveness of the Plan, sufficient Cash to make all payments required to be made on the Effective Date pursuant to the terms of the Plan.

The New Certificates of Incorporation and the New By-laws of the Reorganized RBCC specifically do not provide for the issuance of non-voting equity securities as required by section 1123(a)(6) of the Bankruptcy Code. Though, the New Certificates of Incorporation and the New By-laws for Reorganized PLC, BV, and Newco do not prohibit the issuance of non-voting equity securities, the stock to be issued to creditors under the Plan, either PLC Shares or Newco Claims Shares, will have the right to vote such that the requirements of section 1123(a)(6) are satisfied. In addition, the New Certificates of Incorporation and the New By-laws of the Reorganized Debtors specifically provides for the selection of the initial directors and management of the Reorganized Debtors in a manner consistent both with the interests of creditors and equity holders, and with public policy as required by section 1123(a)(7) of the Bankruptcy Code.

2. Section 1129(a)(2) — Compliance of the Debtors with the Applicable Provisions of the Bankruptcy Code.

The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(2) of the Bankruptcy Code, including, without limitation, section 1125(b) of the Bankruptcy Code and Bankruptcy Rules 3017, 3018, and 3019. As required by section 1125(b), the Debtors' solicitation of acceptances of the Plan occurred only after distribution of copies of the Plan and the disclosure Statement to holders of Claims or Equity Interests. The Debtors, their directors, officers, employees, agents, affiliates, and professionals have acted in "good faith" within the meaning of section 1125(e) of the

Bankruptcy Code and are entitled to the benefits provided to good-faith actors under such provision.

3. Section 1129(a)(3) — Proposal of Plan in Good Faith

The Debtors proposed the Plan in good faith and not by any means forbidden by law. Consistent with the overriding purpose of chapter 11 of the Bankruptcy Code, the Plan is designed to allow the Debtors to reorganize by providing them with a capital structure that will allow them to satisfy their obligations with sufficient liquidity and capital resources to conduct their business. The Plan itself, and the process leading to its formulation including Debtors' negotiations with the Creditors' Committee and other parties in interest, provide additional independent evidence of the Debtors' good faith.

4. Section 1129(a)(4) — Bankruptcy Court Approval of Certain Payments as Reasonable

Pursuant to section 1129(a)(4) of the Bankruptcy Code, any payment made or promised by the Debtors or by any person issuing securities or acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been, or will be before payment, disclosed to this Court. All payments to be made in connection with the Effective Date or which otherwise are required to be disclosed, including any amounts to be paid to officers and directors, are subject to the review of the Bankruptcy Court.

In connection with the foregoing, the Court will retain jurisdiction after the Effective Date to grant or deny any and all applications for or objections to allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan. Any such payment made before Confirmation has been approved by, or is subject to the approval of, the Court as reasonable.

5. Section 1129(a)(5) — Disclosure of Identity and Affiliations of Proposed Management, Compensation of Insiders, and Consistency of Management Proposals with the Interests of Creditors and Public Policy

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors in the Plan disclosed the identity and affiliations of the certain proposed directors and the identity and compensation of officers of the Reorganized Debtors. The appointment or continuance of the proposed directors and officers is consistent with the interests of the holders of Claims and public policy.

6. Section 1129(a)(6) — Approval of Rate Changes

The Debtors' current business do not involve the establishment of rates over which any regulatory commission has or will have jurisdiction after Confirmation.

7. Section 1129(a)(7) — Best Interests of Creditors and Interest Holders

With respect to each Class of Claims of the Debtors which is impaired under the Plan, each holder of a Claim in such Class has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date, that is not less than the amount of such holder would receive or retain if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code.

8. Section 1129(a)(8) — Acceptance of the Plan by Each Impaired Class

Classes 1A, 1B, 1C, 2C, 2E, 2F, 2G, and 5B are unimpaired under the Plan and are not required to accept the Plan in order for the Plan to be confirmed. With respect to voting by impaired classes entitled to vote, the voting totals are as follows:

The Results of the Voting for PLC Were as Follows:

<u>CLASS</u>	<u>TOTAL BALLOTS RECEIVED</u>	
	ACCEPT	REJECT

	AMOUNT	NUMBER	AMOUNT	NUMBER
Class 2A	\$0 (--)	0 (--)	\$0 (--)	0 (--)
Class 3A	\$14,567,617.28 (100%)	13 (100%)	\$0 (0%)	0 (0%)
Class 3B	\$566,645,947.00 (100%)	15 (100%)	\$0 (0%)	0 (0%)
Class 3G	\$13,925,109.84 (100%)	2 (100%)	\$0 (0%)	0 (0%)
Class 4A	\$0 (--)	0 (--)	\$0 (--)	0 (--)

<u>CLASS</u>	PROCESSED BALLOTS FROM HOLDERS OF INTERESTS	
	ACCEPT THE PLAN	REJECT THE PLAN
	Amount Voted/Percentage of Total Amount	Amount Voted/Percentage of Total Amount
Class 5A	371,956,196 (99.999954%)	1,730 (.000046%)

The Debtors may engage some equity-raising device under the securities laws of the United Kingdom that could impact on the interests of the holders of Class 5A and such equity-raising device may not be announced until after Confirmation. The holders of Class 5A PLC Shares retain their interests under the Plan. Nothing in the Plan alters the rights that Class 5A have as shareholders. To the extent that an equity-raising vehicle such as a rights offering leads to some dilution, that dilution is not a result of the Plan, but rather will have occurred in accordance with the laws of England and Wales and will be consistent with the rights of the PLC Shareholders as the same existed notwithstanding the bankruptcy. The Plan is fair and equitable with respect to the PLC Shareholders because there are no junior interest holders receiving any distribution under the Plan.

The Results of the Voting for BV Were As Follows:

<u>CLASS</u>	<u>TOTAL BALLOTS RECEIVED</u>			
	ACCEPT		REJECT	
	AMOUNT	NUMBER	AMOUNT	NUMBER
Class 2B	\$0 (--)	0 (--)	\$0 (--)	0 (--)
Class 3C	\$4,241,383.15 (100%)	6 (100%)	\$0 (0%)	0 (0%)
Class 3D	\$388,590,804.00 (100%)	9 (100%)	\$0 (--)	0 (--)
Class 3H	\$14,778,870.58 (100%)	2 (100%)	\$0 (0%)	0 (0\$)
Class 4B	\$0 (--)	0 (--)	\$0 (--)	0 (--)

The Results of the Voting for RBCC Were as Follows:

<u>CLASS</u>	<u>TOTAL BALLOTS RECEIVED</u>			
	ACCEPT		REJECT	
	AMOUNT	NUMBER	AMOUNT	NUMBER
Class 2D	\$18,000,000 (100%)	1 (100%)	\$0 (0%)	0 (0%)
Class 3E	\$13,093,876.47 (99.21%)	24 (96%)	\$103,815.75 (.79%)	1 (4%)
Class 3F	\$24,461.00 (100%)	14 (100%)	\$0 (0%)	0 (0%)
Class 3I	\$15,266,909.84 (100%)	3 (100%)	\$0 (0%)	0 (0%)
Class 4C	\$12,169.96 (68.12%)	19 (90.48%)	\$5,695.50 (31.88%)	2 (9.52%)

Class 5C will not receive any distribution under the Plan and Holders of Interest in such Class are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. The creditors in Classes 2A and 4A in PLC's Reorganization Case, and Classes 2B and

4B in BV's Reorganization Case failed to cast any ballots either accepting or rejecting the Plan. Notwithstanding the lack of compliance with section 1129(a)(8) of the Bankruptcy Code with respect to such Classes, the Plan may be confirmed because the Plan has been modified so that these Classes are no longer impaired.⁴

9. Section 1129(a)(9) — Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code

The Plan provides for treatment of Allowed Administrative Claims, Priority Claims, and Allowed Priority Tax Claims in the manner required by section 1129(a)(9) of the Bankruptcy Code.

10. Section 1129(a)(10) — Acceptance by at Least One Impaired Class

As required by section 1129(a)(10) of the Bankruptcy Code, the Plan satisfies the requirement that at least one Class of Claims that is impaired under the Plan has accepted the Plan, excluding votes cast by insiders.

11. Section 1129(a)(11) — Feasibility of the Plan

Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors. Consummation of the Plan will significantly improve the Debtors' economic viability and permit the Debtors to meet their obligations under the Plan.

12. Section 1129(a)(12) — Payment of Bankruptcy Fees

In accordance with section 1129(a)(12) of the Bankruptcy Code, Article IV of the Plan provides for the payment of all fees payable under 28 U.S.C. § 1930 in cash on the Effective Date and thereafter as may be required.

⁴ Due to a technical error, Ballots in Class 3D, BV Intercompany Claims, were not returned prior to the Voting Deadline. However, this Court granted Debtors' Motion to allow such late-filed Ballots such that this Class is now deemed to have voted to accept the Plan.

13. Section 1129(a)(13) — Retiree Benefits

Pursuant to Section 7.04 of the Plan, from and after the Effective Date, the Reorganized Debtors will be obligated to pay retiree benefits (as defined in section 1114(a) of the Bankruptcy Code) and any similar health, disability or death benefits in accordance with the terms of the retiree benefit plans or other agreements governing the payment of such benefits, subject to any rights to amend, modify or terminate such benefits under the terms of the applicable retiree benefits plan, other agreement or applicable nonbankruptcy law.

14. Section 1129(b) — Confirmation of the Plan over the Nonacceptance of Impaired Classes

Pursuant to section 1129(b)(1) of the Bankruptcy Code, the Plan may be confirmed notwithstanding that the Claims and Interests in Class 5C is impaired and is deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Other than the requirement in section 1129(a)(8) of the Bankruptcy Code with respect to this Class, all of the requirements of section 1129(a) of the Bankruptcy Code have been met. The Plan does not discriminate unfairly and is fair and equitable with respect to the Class 5C. No holders of Claims or Interests junior to the Interests in Class 5C will receive or retain any property on account of their Claims or Interests, and, as evidenced by the valuations and estimates contained in the Disclosure Statement and by the other evidence in the record, no holders of Claims or Interests in Classes senior to Class 5 are receiving more than full payment on account of the Claims and Interests in such Classes.

The treatment of Classes 2A and 2B is “fair and equitable” within the meaning of § 1129(b) because the Debtors will either (i) allow that the holders of the Class 2A and 2B Claims to retain its liens in the allowed amount of its claim along with deferred cash payments

totaling at least the allowed amount of such claim or (ii) provide the holder of the Class 2A and 2B Claims with the indubitable equivalent of such claim.

Although the creditors in Classes 2A and 4A in PLC's Reorganization Case, and Classes 2B, and 4B in BV's Reorganization Case failed to cast any ballots either accepting or rejecting the Plan, the Plan satisfies section 1129(a)(8) of the Bankruptcy Code because the Plan has been modified so that these Classes are no longer impaired.

15. Section 1129(d) — Purpose of Plan

The primary purpose of the Plan is not avoidance of taxes or avoidance of the requirements of Section 5 of the Securities Act, and there has been no objection filed by any governmental unit asserting such avoidance.

16. Executory Contracts and Unexpired Leases

The Debtors' proposed assumption of certain Executory Contracts and Unexpired Leases as provided in Article VII of the Plan or pursuant to the Lease Renegotiation Program or the Equipment Lease Renegotiation Program, is a reasonable and proper exercise of the Debtors' business judgment and is approved. The Debtors have the financial ability to cure any defaults on assumed Executory Contracts and Unexpired Leases and to compensate any party other than a Debtor, for any actual, pecuniary loss to such party resulting from such default. Consummation of the Plan and the transactions contemplated in connection therewith provide adequate assurance of future performance under such Executory Contracts and Unexpired Leases.

The Debtors' proposed rejection of certain Executory Contracts and Unexpired Leases in accordance with Article VII of the Plan is also a proper exercise of the Debtors' business judgment and is approved.

II. CONCLUSIONS OF LAW

A. Jurisdiction and Venue

This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Debtors were and are qualified to be debtors under section 109 of the Bankruptcy Code. Venue in the Southern District of New York was proper as of the Petition Date and continues to be proper under 28 U.S.C. § 1408.

B. Modifications of the Plan

The notice provided by the Debtors of the Modifications was adequate and appropriate under the circumstances and, accordingly, is approved. The Modifications comply in all respects with section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019 and all other provisions of the Bankruptcy Code and do not adversely change the treatment of any Claims or Interests under the Plan. Accordingly, no additional disclosure under section 1125 of the Bankruptcy Code is required with respect to the Modifications. Pursuant to section 1127 and Bankruptcy Rule 3019, all holders of Claims that have accepted or are conclusively presumed to have accepted the Plan as filed on October 16, 2003 are deemed to have accepted the Plan, as modified by the Modifications.

C. Exemptions from Taxation

Pursuant to section 1146(c) of the Bankruptcy Code: (1) the issuance, distribution, transfer, or exchange of any debt, equity, security or other interest in the Debtors or the Reorganized Debtors; (2) the creation, modification, assignment, consolidation, filing or recording of any mortgage, deed of trust, lien, security agreement, financing statement, release, or other security interest, or the securing of additional indebtedness by such or other means (whether (a) in connection with the issuance and distribution of any debt, equity, security, or other interest in the Debtors or the Reorganized Entities or (b) otherwise in furtherance of, or in connection with, the Plan); (3) the making, assignment, or recording of any lease or sublease; (4) the making, delivery, or recording of any deed or other instrument of transfer under, in

furtherance of, or in connection with the Plan, including any deeds, bills of sale, assignments or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, mortgage recording tax, stamp tax, or similar tax or government assessment, and the appropriate state or local government official or agent is hereby directed to forego the collection of any such tax or government assessment and to accept for filing and recording any of the foregoing instruments or other documents without the payment of any such tax or government assessment.

Pursuant to section 1146(c) of the Bankruptcy Code, any transfers either pre or post-Confirmation from the Debtors or the Reorganized Debtors to any Person or entity or to Reorganized Entities, including but not limited to transfers to reallocate assets between and among the Reorganized Entities pursuant to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax, or other similar tax or governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation of any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

D. Exemptions From Securities Laws

The protection afforded by section 1125(e) of the Bankruptcy Code with regard to the solicitation of acceptances or rejections of the Plan and with regard to the offer, issuance, sale or purchase of the Exit Securities, Newco Claims Shares, Newco Interests Shares, CULS (or, if applicable, PLC Shares), and the EOP Securities shall apply to the full extent provided by law, and the entry of the Confirmation Order shall constitute the determination by this Court that the Debtors, Reorganized Entities and the Committee and each of their respective officers, directors,

partners, employees, members, agents, attorneys, accountants, or other professionals, shall have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code pursuant to section 1125(e) of the Bankruptcy Code.

In addition, the exemption from the requirements of Section 5 of the Securities Act of 1933, 15 U.S.C. § 77e, as amended (the “Securities Act”), and any state or local law requiring registration for the offer or sale of a security provided for in section 1145 of the Bankruptcy Code shall apply to the Exit Securities, Newco Claims Shares, Newco Interest Shares (or, if applicable, PLC Shares), CULS, and the EOP Securities. More specifically, the offer and sale of Exit Securities, the Newco Claims Shares and Newco Interest Shares (or, if applicable, PLC Shares), the CULS, and the EOP Securities, shall be exempt from the registration requirements of the Securities Act, pursuant to section 1145(a) of the Bankruptcy Code and such securities may be resold by the holders thereof without restriction, except as set forth in and pursuant to the Plan, and to the extent that any such holder is deemed to be an “underwriter” as defined in section 1145(b)(1) of the Bankruptcy Code with respect to such securities. The Exit Securities, the Newco Claims Shares and Newco Interest Shares, the CULS, and the EOP Securities will be exempt from registration pursuant to Section 4(2) of the Securities Act and equivalent state securities or “blue sky” laws.

E. Compliance with Section 1129 of the Bankruptcy Code

As set forth in Section I.B of this Confirmation Order, the Plan complies in all respects with the applicable requirements of section 1129 of the Bankruptcy Code.

F. Executory Contracts and Unexpired Leases

Based upon the Court’s findings of fact, the proposed assumption, assumption and assignment, or rejection of Executory Contracts and Unexpired Leases as provided in Article VII of the Plan or pursuant to the Lease Renegotiation Program or the Equipment Lease

Renegotiation Program is proper under the standards set forth in and applicable to sections 365(a) and (b) of the Bankruptcy Code.

G. Releases

Sections 10.05 and 10.06 of the Plan were modified to address certain concerns of the United States Trustee. Section 10.05 of the Plan “Releases”, as modified, now provides:

Releases by the Debtors. On the Effective Date, each of the Debtors shall release unconditionally, and hereby is deemed to forever release unconditionally (i) the Creditors’ Committee and, solely in their respective capacities as members or representatives of the Creditors’ Committee, as applicable, each member of the Creditors’ Committee; (ii) the Creditors’ Committee’s and each member’s respective agents, advisors, accountants, investment bankers, consultants, attorneys, and other representatives retained in connection with these Reorganization Cases; and (iii) the Debtors’ respective agents, advisors, accountants, investment bankers, consultants, attorneys, and other representatives retained in these Reorganization Cases from any and all claims, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever (other than the right to enforce their respective obligations, if any, to the Debtors or the Reorganized Debtors under this Plan and the contracts, instruments, releases, and other agreements and documents delivered or reaffirmed hereunder), whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part upon any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Reorganization Cases, this Plan or the Disclosure Statement; provided, however, that the foregoing shall not operate as a waiver of or release from any Cause of Action arising out of any express contractual obligation owing by any former director, officer or employee to the Debtors or any reimbursement obligation of any former director, officer or employee with respect to a loan or advance made by the Debtors to such former director, officer or employee. Nothing in Section 10.05 of the Plan shall effect a release in favor of any person other than the Debtors with respect to Causes of Action based on willful misconduct, gross negligence, intentional fraud or breach of fiduciary duty that results in a personal profit at the expense of the Estate, and/or the knowing misuse of confidential information. Nothing in Section 10.05 of the Plan shall effect a release of any claim of the United States Government or any of its agencies or any state and local authority whatsoever, including without limitation any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority, nor shall anything in the Confirmation Order or the Plan enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceeding against released parties for any liability whatsoever, including without limitation any claim arising under the Internal Revenue Code, the environmental

laws or any criminal laws of the United States or any state and local authority. Nothing in Section 10.05 shall limit the liability of the Debtors' or the Creditors' Committee's attorneys to their respective clients pursuant to the DR 6-102 of the Code of Professional Responsibility.

Releases by the Holders of Claims and Interests. On the Effective Date, each holder of a Claim or Interest shall be deemed to unconditionally release and forever waive all claims, debts, obligations, demands, liabilities, suits, judgments, damages, rights, and Causes of Action, whatsoever (other than the right to enforce the Debtors' or the Reorganized Debtors' obligations under this Plan, the EOP Settlement, the EOP Guarantees and the EOP Securities and the contracts, instruments, releases, and other agreements and documents delivered or reaffirmed thereunder), whether liquidated or unliquidated, fixed or contingent, matured or, unmatured, known or unknown, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part upon any transactions or matters with any of the Debtors, their estates or in connection with the Reorganization Cases, this Plan or the Disclosure Statement that occurred or could have occurred on or prior to the Effective Date against any Debtor, any affiliates or subsidiaries of the Debtors, which release and waiver will be in addition to the discharge of Claims and termination of Interests in accordance with this Plan, the Confirmation Order and the Bankruptcy Code), the Creditors' Committee, each member of the Creditors' Committee and each of the current and former directors, officers, employees, members, attorneys, accountants, investment bankers, consultants, agents, advisors and other representatives of any of the foregoing, acting in such respective capacities. The foregoing release shall not apply to Intercompany Claims that are not impaired under this Plan solely with respect to such Intercompany Claims against the Debtors; provided, however, that the foregoing shall not operate as a waiver of or release from any Cause of Action arising out of any express contractual obligation owing by any former director, officer or employee to the Debtors or any reimbursement obligation of any former director, officer or employee with respect to a loan or advance made by the Debtors to such former director, officer or employee. Nothing in Section 10.05 of the Plan shall effect a release in favor of any person other than the Debtors with respect to Causes of Action based on willful misconduct, gross negligence, intentional fraud or breach of fiduciary duty that results in a personal profit at the expense of the Estate, and/or the knowing misuse of confidential information. Nothing in Section 10.05 of the Plan shall effect a release of any claim of the United States Government or any of its agencies or any state and local authority whatsoever, including without limitation any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority, nor shall anything in the Confirmation Order or the Plan enjoin the United States or any state or local authority from bringing any claim, suit, action or other proceeding against released parties for any liability whatsoever, including without limitation any claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority. Nothing in

Section 10.05 shall limit the liability of the Debtors' or the Creditors' Committee's attorneys to their respective clients pursuant to the DR 6-102 of the Code of Professional Responsibility.

Injunction Related to Releases. In furtherance of the foregoing, the Confirmation Order will constitute an injunction permanently enjoining the commencement or prosecution by any entity, whether directly, derivatively, or otherwise, of any Claim, demand, debt, liability, cause of action, right or Interest released and waived pursuant to this Plan against the released parties. All entities who have held, hold or may hold Claims against or Equity Interests in any Debtor, shall be permanently enjoined with respect to the Released Parties, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against any Debtor on account of any such Claim or Equity Interest, (c) creating, perfecting or enforcing any encumbrance of any kind against any Debtor or against the property or interests in property of any Debtor on account of any such Claim or Equity Interest, (d) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from any Debtor or against the property or interests in property of any Debtor on account of any such Claim or Equity Interest, and (e) commencing or continuing in any manner any action or other proceeding of any kind with respect to any claims and Causes of Action which are extinguished, dismissed or released pursuant to the Plan. Such injunction shall extend to successors of any Debtor.

Section 10.06 of the Plan, as modified, now provides:

Exculpation. From and after the Effective Date, other than the Debtors' and/or the Reorganized Debtors' obligations under this Plan, the EOP Settlement, the EOP Guarantees and the EOP Securities and the contracts, instruments, releases, and other agreements and documents delivered or reaffirmed thereunder, none of the Debtors, the Reorganized Debtors, Newco, or the Creditors' Committee and the members thereof in their capacity as such, Newco or RML, nor, any of their respective current and former directors, officers, employees, members, attorneys, accountants, investment bankers, consultants, agents, advisors or other representatives, acting in such respective capacities, shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, related to, or arising out of, the Reorganization Cases, the pursuit of confirmation of this Plan, the consummation of this Plan or the administration of the Plan or the property to be distributed under this Plan (including objections to, and settlements of, Claims and Interests under this Plan), except for willful misconduct or gross negligence, intentional fraud, and/or breach of fiduciary duty that results in a personal profit at the expense of the Estate. Nothing in Section 10.06 of the Plan shall limit the liability of the Debtors' or the Creditors' Committee's attorneys to their respective clients pursuant to DR 6-102 of the

Code of Professional Responsibility. Nothing in Section 10.6 of the Plan shall limit the liability of the members of the Creditors' Committee for the knowing misuse of confidential information or ultra vires acts.

Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a)(1) the settlements, compromises, releases, discharges, exculpations, and injunctions set forth in Sections 10.05 and 10.06 of the Plan as modified, and implemented by this Confirmation Order shall be, and hereby are, approved as fair, equitable, reasonable, and in the best interests of the Debtors, the Reorganized Debtors and their estates, and holders of Claims.

Further, it is hereby found that the Committee has had an opportunity fully to review the EOP Settlement and that subject to the implementation of certain additional agreements by Debtors, and modification of the CULS and/or Indenture, the Committee, as of the date hereof has no objection to or reservation of rights with respect to the EOP Settlement.

Any objection the United States Trustee had, or may have, to Sections 10.05 and 10.06 are hereby resolved by the modifications made by the Debtors thereto. The classification and manner of satisfying all Claims and the respective distributions and treatments under the Plan take into account and/or conform to the relative priority and rights of the Claims in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination under section 510(b) of the Bankruptcy Code or otherwise, and the settlement, compromise and release of any and all such rights pursuant to the Plan is in the best interests of the Debtors, their estates, and holders of Claims, and shall be, and hereby is, approved as fair, equitable and reasonable.

H. Agreements and Other Documents

The Debtors have disclosed all material facts regarding: (i) the directors and officers of the Reorganized Debtors; (ii) the issuance and distribution of Exit Securities, the Newco Claims Shares and Newco Interest Shares (or, if applicable, PLC Shares), the CULS, and

the EOP Securities; (iii) the adoption, execution and delivery of all contracts, leases, instruments, releases, and other agreements related to any of the foregoing. No action of the directors or shareholders of the Debtors or the Reorganized Debtors will be required to authorize them to engage in any of the activities contemplated by the Plan or any action in furtherance of those activities and all such activities shall be, and hereby are authorized and approved in all respects.

III. ORDER

A. Confirmation of the Plan

The record of the Confirmation Hearing is hereby closed. The Plan and each of its provisions shall be, and hereby are, confirmed in each and every respect pursuant to section 1129 of the Bankruptcy Code; *provided, however*, that if there is any direct conflict between the terms of the Plan and the terms of this Confirmation Order, the terms of this Confirmation Order shall control. All objections to the Plan and reservation of rights, to the extent not already withdrawn, shall be, and hereby are, overruled

B. Effective Date

The Effective Date of the Plan shall be the first Business Day after (i) this Confirmation Order shall have been entered and shall not have been reversed, stayed, modified or amended and shall have become a Final Order, and (ii) all of the Conditions to the Effective Date set forth in Article IX of the Plan; *provided, however*, except as otherwise provided in the Plan that the Effective Date must occur not later than 60 days after the Confirmation Date unless the Creditors' Committee has otherwise agreed to extend such time period.

If any condition to the Effective Date is not satisfied or waived in accordance with Section 9.02 of the Plan, then upon motion by the Debtors and upon notice to parties in interests, the Confirmation Order shall be vacated by the Bankruptcy Court; *provided, however*, that notwithstanding the filing of such motion, the Confirmation Order may not be vacated if each of

the conditions to the Effective Date is either satisfied or waived before the Bankruptcy Court enters an order granting such motion.

C. Effects of Confirmation

Notwithstanding any otherwise applicable law, immediately upon the entry of this Confirmation Order, the terms of the Plan and this Confirmation Order are deemed binding upon all persons including the Debtors, the Reorganized Debtors, any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are impaired under the Plan or whether the holders of such Claims or Interests accepted, rejected or are deemed to have accepted or rejected the Plan), any and all nondebtor parties to Executory Contracts and Unexpired Leases with any of the Debtors and any and all entities who are parties to or are subject to the settlements, compromises, releases, waivers, discharges and injunctions set forth in the Plan and the respective heirs, executors, administrators, successors or assigns, if any, of the foregoing.

1. Executory Contracts and Unexpired Leases

a. Assumption, assignment and Rejection of Executory Contracts and Unexpired Leases.

The Executory Contract and Unexpired Lease provisions of Article VII of the Plan shall be, and hereby are, approved and except as otherwise provided in the Plan or any contract, instrument, release, indenture, or other agreement or document entered into or in connection with the Plan, the Lease Renegotiation Program, the Equipment Lease Renegotiation Program or the EOP Settlement, as of the Effective Date each Debtor shall be deemed to have rejected each Executory Contract and Unexpired Lease listed on the schedules of the Debtors to which it is a party in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, unless such Executory or Unexpired Lease (i) was assumed by the Debtors pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date; (ii)

was expressly rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date; (iii) has been terminated by such Debtor pursuant to the terms thereof or by agreement between the Debtor and such party; (iv) as to which a motion for approval of the assumption or rejection of such Executory Contract or Unexpired Lease has been Filed and served prior to the Effective Date; (v) is otherwise set forth in Schedule 7.01(a) as being Real Property Unexpired Leases, as the same may have been amended by agreement of the parties pursuant to the Lease Renegotiation Order; (vi) that constitutes an agreement between Regus and a customer or customers for the use of space in an RBCC business center where (a) such agreement has been rejected or (b) the underlying lease for such business center has not been rejected by RBCC; (vii) is set forth in Schedule 7.01(c) to be assumed, including such leases or contracts as may have been amended pursuant to the Equipment Lease Renegotiation Order; or (ix) is otherwise assumed pursuant to another section of Article VII of the Plan.

The terms of any such Executory or Unexpired Lease assumed or assumed and assigned pursuant to the Plan, the Lease Renegotiation Program, the Equipment Lease Renegotiation Program, or any motions pending before the Court prior to the Effective Date shall be modified to include any amendments or modifications thereto, if any, that were agreed to by the relevant and appropriate parties on or before the Confirmation Date. This Confirmation Order shall constitute an order of the Court under section 365 of the Bankruptcy Code approving the Executory Contract and Unexpired Lease assumptions and rejections as described above, as of the Effective Date or such later date on which rejection becomes effective.

b. Rejection Damages Claims

If the rejection by the Debtors, pursuant to the Plan or otherwise, of an Executory Contract or Unexpired Lease results in a Claim that is not theretofore evidenced by a timely filed proof of Claim or a proof of Claim that is deemed to be timely filed under applicable law, then

such Claim shall be forever barred and shall not be enforceable against any of the Debtors, the Reorganized Debtors or their respective properties, unless a proof of Claim is Filed and served on the Reorganized Debtors no later than 30 days after the later of (i) the Effective Date and (ii) delivery of a notice of amendment to Schedule 7.01(a) or 7.01(c).

c. Cure of Defaults

Except as has been otherwise agreed to by the parties pursuant to the Lease Renegotiation Order, the Equipment Lease Renegotiation Order, any other Order of the Court approving or authorizing such agreement, or as may otherwise be agreed to by the parties, the applicable Reorganized Debtor shall cure any and all undisputed defaults under any Executory contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code within ninety (90) Business Days after the Effective Date. If there is a dispute regarding (i) the nature or amount of any Cure, (ii) the ability of any Reorganized Entity or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (iii) any other matter pertaining to assumption, such dispute shall be resolved by the Court or the parties in writing, and the Cure shall occur within ten (10) days after entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be.

The Debtors have provided prior notice in writing to parties to Executory Contracts and Unexpired Leases to be assumed and assigned hereunder setting forth the amount of any cure or compensation payments they intend to pay, any adequate assurance of future performance they intend to provide and to those Reorganized Debtors where such Executory Contract or Unexpired Lease is to be assigned. If a party to such Executory Contract or Unexpired Lease has not filed an appropriate pleading with this Court disputing the terms for

assumption or assignment set forth in the Debtors' notice and requesting a hearing thereon, then such party shall be deemed to have accepted such terms for assumption and assignment and waived its right to dispute such matters.

2. Discharge and Release

Except as specifically provided in the Plan or in this Confirmation Order effective on the Effective Date, consummation of the Plan shall discharge and release the Debtors and the Reorganized Debtors from any and all claims and demands including any Claim of a kind specified in section 502(g), 502(h), or 502(i), whether or not (i) a Proof of Claim based on such Claim was filed or deemed filed under section 501 of the Bankruptcy Code, or such Claim was listed on the Schedules of the Debtor, (ii) such Claim is or was Allowed under section 502 of the Bankruptcy Code, or (iii) the holder of such Claim has voted on or accepted the Plan. The Debtors shall be fully and finally discharged of any liability or obligation on a Disallowed Claim or a Disallowed Interest, and any order creating a Disallowed Claim or a Disallowed Interest that is not a Final Order as of the Effective Date solely because of an entity's right to move for reconsideration of such order pursuant to section 502 of the Bankruptcy Code or Bankruptcy Rule 3008 shall nevertheless become and be deemed to be a Final Order on the Effective Date. The Confirmation Order, except as otherwise provided herein, or unless this Court orders otherwise, shall constitute an order: (a) disallowing all Claims to the extent such Claims and Interests are not allowable under any provision of section 502 of the Bankruptcy Code, including, but not limited to, time-barred Claims, and Claims for unmatured interest, and (b) disallowing or subordinating, as the case may be, any Claims, or portions of Claims, for penalties or non-compensatory damages. The releases contained in Article X of the Plan, as modified, are approved in all respects, are incorporated herein in their entirety, are so ordered and shall be immediately effective on the Effective Date of the Plan without further act or order. To the

extent that PLC and BV have guaranteed leases of the international subsidiaries and affiliates, such guarantees will remain in place through and after the Effective Date of the Plan, unaffected by the discharge and related provisions of this Order.

3. Injunctions and Stays Remain in Effect Until Effective Date

All injunctions and stays pursuant to sections 105 and 362 of the Bankruptcy Code or otherwise shall remain in full force and effect until the Effective Date of the Plan, except that nothing herein shall bar the filing of financing documents or the taking of such other actions as are necessary to effectuate the transactions specifically contemplated by the Plan, the Plan Supplement or by this Confirmation Order.

4. Revesting of Assets

Except as otherwise expressly provided in the Plan or in this Confirmation Order, all property of the Debtors' Estates shall revest in and become property of the Reorganized Debtors, subject to Liens permitted under the Plan or Plan Supplement with the validity, priority, extent, perfection, enforceability and rights set forth in the Plan, Plan Supplement, or as indicated below.

D. Matters Relating to Implementation of the Plan

1. Immediate Effectiveness: Successors and Assigns

Immediately upon the entry of this Confirmation Order, the terms of the Plan shall be, and hereby are, deemed binding upon the Debtors, the Reorganized Debtors, any and all holders of Claims (irrespective of whether such Claims are impaired under the Plan or whether the holders of such Claims accepted or are deemed to have accepted the Plan), any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors and the respective heirs, executors, administrators, successors or assigns, if any, of the foregoing.

2. Continued Corporate Existence: Vesting of Assets

Except as otherwise provided in the Plan, each Debtor shall continue to exist as a Reorganized Entity after the Effective Date as a separate entity with all the powers of a corporation under the laws of the respective state of incorporation but without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under such applicable state law. Except as otherwise provided in the Plan, all property in each estate and any property acquired by each of the Debtors under the Plan shall vest in the Reorganized Entity which is a successor to that Debtor under the Plan, free and clear of all liens, Claims, charges, or other encumbrances, subject, however, to Liens permitted under the Plan with the validity, priority, extent, perfection, enforceability and rights set forth in the Plan, the Term Sheet, or as indicated above.

On and after the Effective Date, each Debtor, or the Reorganized Debtors may operate its business and may use, acquire or dispose of property and compromise or settle any Claims without supervision or approval by this Court and free of restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and this Confirmation Order.

3. Cancellation of Notes, Instruments, Debentures, Existing Common Stock, and Stock Options.

On the Effective Date, except as otherwise provided for in the Plan and in any contract, instrument, or other agreement or document created in connection with the Plan, promissory notes, and other instruments evidencing any Claims, other than (a) documents relating to the Allowed Claims of JPMorgan Chase, (b) the existing PLC Shares, unless and until such shares are replaced by the appropriate number of Newco Interests Shares, (c) any executory contract that has been assumed or will be assumed pursuant to the Plan, and (d) documents and agreements relating to the Allowed Claims of EOP under the EOP Settlement, the EOP

Guarantees and the EOP Securities, are hereby deemed canceled and of no further force and effect, discharged and extinguished without need for further act or action under any applicable agreement, law, regulation, order or rule and the obligations of any of the Debtors. The holders of or parties to such cancelled notes and other agreements and instruments shall have no rights arising from or relating to such notes, other agreements, and instruments or the cancellation thereof, except for the rights provided for in the Plan. Notwithstanding the foregoing, all guarantees, warranties, indemnities and confidentiality rights in favor of any of the Debtors shall be assumed pursuant to the Plan and shall inure to the benefit of the relevant Reorganized Debtor.

4. Issuance of New Securities and Execution of Documents

On or as soon as reasonably practicable after the Effective Date, except as otherwise provided in the Plan, each of the Debtors, Reorganized Debtors and Newco, without further act or action under applicable law, regulation, are authorized and directed to implement, execute and deliver (a) the Exit Securities, to issue the Newco Claims Shares and Newco Interests Shares (or, if applicable, PLC Shares), the CULS (including in the case of Newco, obtaining the consents and authorizations necessary to allot and issue Newco Shares pursuant to the conversion of the CULS) and the EOP Securities; and (b) such other documents and agreements as are necessary to effectuate this Plan.

5. Corporate Governance, Corporate Action, and Directors and Officers

a. Corporate Action

On or prior to the Effective Date, each of the Debtors, Reorganized Debtors or Newco is authorized and directed to execute, deliver, file or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or

appropriate to effectuate, implement and further evidence the terms and conditions of this Plan and any notes or securities issued pursuant to this Plan.

On or prior to the Effective Date, all matters provided for under this Plan that would otherwise require approval of the shareholders or directors of one or more of the Debtors, Reorganized Debtors, Newco or their successors in interest under this Plan, shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate) pursuant to the applicable general corporation law of the states or foreign jurisdictions in which the Debtors or Reorganized Debtors are incorporated without any requirement of further action by the stockholders or directors of the Debtors or Reorganized Debtors. On the Effective Date or as soon thereafter as is practicable, the Reorganized Debtors are authorized and directed to, if required, file any amended certificates of incorporation with the appropriate offices for the specific jurisdiction in which each Reorganized Debtor is incorporated or otherwise formed in accordance with the applicable corporation laws of such jurisdictions.

6. Securities Exemption

Except as otherwise provided for in the Plan, any securities issued pursuant to the Plan shall be exempt from securities registration pursuant to, and to the extent provided in, section 1145 of the Bankruptcy Code.

7. Exemption from Taxation

Pursuant to section 1146(c) of the Bankruptcy Code: (a) the issuance, transfer, or exchange of notes or equity securities under this Plan; (b) the creation of any mortgage, deed of trust, lien, pledge, or other security interest; (c) the making or assignment of any lease or sublease; or (d) the making or delivery of any deed of other instrument of transfer under, in furtherance of, or in connection with, this Plan, including, without limitation, any merger agreements, agreements of consolidation, restructuring, disposition, liquidation, or dissolution,

deeds, bills of sale, transfers of tangible property, or assignments executed in connection with or contemplated under this Plan (including all sales, transfers and assignments of owned and leased property) are hereby exempt from taxation under any law imposing a recording tax, stamp tax, transfer tax, or any similar tax.

8. Procedures for Treatment of Disputed, Contingent, and Unliquidated Claims

Article VI of the Plan is hereby approved. As of the Confirmation Date, the Reorganized Debtors shall have the exclusive right to make and File objections to all Claims and Interests. As soon as practicable, but in no event later than 180 days after the Confirmation Date (unless extended by an order of the Court), the Reorganized Debtors shall file objections to Claims with the Court and serve such objections upon the holders of each of the Claims to which objections are made.

Except as expressly provided in the Plan or in any order entered in the Reorganization Cases prior to the Effective Date, no Claim shall be deemed Allowed until such Claim or Interest is deemed Allowed under the Bankruptcy Code or by the Debtors or Reorganized Debtors, or the Court enters a Final Order in the Chapter 11 Cases allowing such a Claim.

9. Plan Distributions

The Disbursing Agent shall make all distributions required under the Plan. Except as otherwise provided for in the Plan, any distributions to be made on the Effective Date pursuant to the Plan shall be deemed as having been made on the Effective Date if such distribution is made on the Effective Date or as otherwise provided in the Plan.

10. Compliance with Tax Requirements

In connection with the Plan, the Debtors, Reorganized Debtors, Newco, and the Disbursing Agent shall comply with all applicable withholding and reporting requirements imposed by federal, state, local, and foreign taxes.

11. Authority to Prosecute or Settle Avoidance Litigation

The Debtors, the Reorganized Debtors, or any representative thereof are hereby authorized to prosecute any avoidance or recovery actions under section 544, 545, 547, 549 or 550 of the Bankruptcy Code. All such avoidance actions shall be prosecuted, settled or compromised as deemed appropriate by the Reorganized Debtors in an exercise of its business judgment under applicable corporate law.

12. Authority to Pursue Other Litigation

The Reorganized Debtors shall be vested with all causes of action belonging to any of the Debtors or their Estates on the Effective Date and may pursue such action in its own name or the name of the Debtor entity originally having the right to assert such claim.

13. Release, Injunctive, and Related Provisions

Article X of the Plan, as modified, is hereby approved as it relates to provisions including, without limitation, (i) releases, (ii) exculpation and other releases, (iii) indemnifications, and (iv) injunctions.

E. Retention of Jurisdiction

Notwithstanding entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain such jurisdiction over the Reorganization Cases after the Effective Date, including jurisdiction to:

- a. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims or Interests;

- b. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods ending on or before the Effective Date;
- c. Resolve any matters related to the assumption or rejection of any executory contract or unexpired lease to which any Debtor is a party or with respect to which any Debtor or Reorganized Debtor may be liable and to hear, determine, and, if necessary, liquidate any Claims arising therefrom and those matters related to the amendment of the schedules to be filed pursuant to Article VII of this Plan adding or deleting any executory contracts or unexpired leases to the lists of executory contracts and unexpired leases to be assumed or rejected;
- d. Ensure that distributions to holders of Allowed Claims or Allowed Interests are accomplished pursuant to the provisions of this Plan;
- e. Decide or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters and grant or deny any applications involving the Debtors that may be pending on the Effective Date;
- f. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all contracts, instruments, releases, and other agreements or documents related to this Plan, the Disclosure Statement, or the Confirmation Order;
- g. Resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of this Plan or any contract, instrument, release, or other agreement or document that is executed or created pursuant to this Plan, or any entity's rights arising from or obligations incurred in connection with this Plan or such documents;
- h. Modify this Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code or modify the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with this Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or appropriate to consummate this Plan;
- i. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 330, 331 and 503(b) of the Bankruptcy Code;

- j. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation, or enforcement of this Plan or the Confirmation Order;
- k. Hear and determine the Causes of Action by or on behalf of the Debtors or the Reorganized Debtors;
- l. Hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
- m. Enter and implement orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked, or vacated or distributions pursuant to this Plan are enjoined or stayed;
- n. Determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in Connection with this Plan, the Disclosure Statement, or the Confirmation Order;
- o. Notwithstanding anything to the contrary above, Debtors, Reorganized Debtors and Newco agree that the jurisdiction of the Bankruptcy Court with respect to any issue, dispute, or cause of action relating to or arising under any of the Exit Securities shall not be exclusive;
- p. Enter an order closing the Reorganization Cases.

F. Dissolution of Committee

Except as otherwise provided in the Plan and the Confirmation Order, the appointment of the Creditors' Committee shall terminate on the Effective Date. The Professionals retained by the Creditors' Committee shall not be entitled to assert any Fee Claim for any services rendered or expenses incurred after such termination date, except for services rendered and expenses incurred in connection with any applications for allowance of compensation and reimbursement of expenses pending on the Effective Date, or Filed and served after the Effective Date pursuant to Article II of the Plan. The Creditors' Committee will continue to exist notwithstanding the foregoing, after such date solely with respect to representation of the interests of creditors receiving distributions under this Plan, and shall be

responsible for monitoring claims resolution, disbursements under this Plan and such other matters as may be expected to affect creditors receiving distributions under this Plan. The existence of the Creditors' Committee shall terminate at such time as substantially all distributions to holders of Allowed Class 3A, 3C, and 3E Claims have been made. The reasonable fees and expenses of professionals engaged by the Creditors' Committee shall be payable by the Reorganized Debtors in the ordinary course of business without further notice.

G. Payment of Statutory Fees

On or before the Effective Date, the Debtors shall pay or have paid all fees payable pursuant to section 1930 of title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing.

H. Post-Effective Date Professional Fees

From and after the Effective Date, except as provided in paragraph F in this section, no professional shall be entitled to compensation for post-Effective Date services rendered unless specifically agreed by the Reorganized Debtors or by the particular Reorganized Debtor engaging such professional. Post-Effective Date fees and costs may be paid by the Reorganized Debtors without further Order of the Court.

I. Post-Confirmation Notices and Reports

1. Notice of Entry of Confirmation Order

Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), the Debtors shall be, and hereby are, directed to serve a notice of the entry of this Confirmation Order on all holders of Claims to whom the notice of the Confirmation Hearing was mailed and the Master Service List on file with the Court.

2. Administrative Claims Bar Date

The Confirmation Order establishes a Bar Date for the filing of all Administrative Claims (not including Professional Fee Claims or the expenses of the members of the Creditors' Committee), which date is 30 days after the Confirmation Date. Holders of asserted Administrative Claims, other than Professional Fee Claims, United States Trustee fees, or the expenses of the members of the Creditors' Committee, not paid prior to the Confirmation Date must submit proofs of Administrative Claim on or before such Administrative Claims Bar Date or forever be barred from doing so. Any notice of Confirmation to be delivered pursuant to Bankruptcy Rule 3020(c) and 2002(f) will set forth such date and constitute notice of this Administrative Claims Bar Date. Holders of Fee Claims that are required to file and serve applications for final allowance of their Fee Claims and that do not File and serve such applications within the time period set forth in this Order shall be forever barred from asserting such Claims against any of the Debtors, any of the Reorganized Debtors, or their respective property and such Fee Claims shall be deemed discharged as of the Effective Date. Objections to any Fee Claim must be Filed and served on the Debtors and the requesting party by 120 days after the Effective Date. To the extent necessary, entry of the Confirmation Order shall amend and supersede any previously entered order of the Bankruptcy Court, including the Fee Order, regarding the payment of Allowed Fee Claims for services and costs incurred subsequent to the Effective Date.

J. Filing or Recording of Order

This Confirmation Order shall be deemed to be in recordable form and shall be accepted by any federal, state, or local recording officer for filing and recording purposes when this Confirmation Order is certified by the clerk of this Court.

K. Resolution of Objections

All Objections, if any, not specifically addressed herein are overruled.

It is so ORDERED.

Dated: White Plains, New York
November 12, 2003

/s/Adlai S. Hardin, Jr. _____
The Honorable Adlai S. Hardin Jr.
UNITED STATES BANKRUPTCY JUDGE