

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
:
BIRCH TELECOM, INC., : Case No. 05-12237 (PJW)
 et al.,¹ :
: Jointly Administered
Debtors. :
: Related to Docket No. 502
:
- - - - - X

ORDER CONFIRMING THIRD AMENDED JOINT REORGANIZATION
PLAN OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES

A HEARING HAVING BEEN HELD BEFORE THE COURT on
March 30, 2006 (the "Confirmation Hearing")², to consider
confirmation of the Third Amended Joint Reorganization
Plan of Birch Telecom, Inc. and Its Subsidiaries, dated
February 15, 2006, (the "Plan"),³ proposed by Birch

¹ The Debtors are the following entities: Birch Telecom, Inc.; Birch Telecom 1996, Inc.; Ionex Communications, Inc.; Ionex Communications North, Inc.; Ionex Communications South, Inc.; Ionex Telecommunications Leasing Inc.; Telecom Resources, Inc.; Birch Equipment, Inc.; Birch Internet Services, Inc.; Birch Kansas Holdings, Inc.; Birch Management Corporation; Birch Telecom Finance, Inc.; Birch Telecom of Arkansas, Inc.; Birch Telecom of Kansas, Inc.; Birch Telecom of Missouri, Inc.; Birch Telecom of Nebraska, Inc.; Birch Telecom of Oklahoma, Inc.; Birch Texas Holdings, Inc.; Birch Telecom of the Great Lakes, Inc.; Birch Telecom of the South, Inc.; Birch Telecom of the West, Inc.; Capital Communications Corporation; Dunn & Associates, Inc.; I.S. Advertising, Inc.; Telesource Communications, Inc.; American Local Telecommunications L.L.C.; Birch Telecom of Texas Ltd., L.L.P.; G.B.S. Communications, Inc.; and M.B.S. Leasing, Inc.

² The Confirmation hearing was originally scheduled for March 22, 2006 at 9:30 a.m. and such hearing was adjourned to March 30, 2006 at 11:30 a.m. as announced in open Court on March 22.

³ Capitalized terms used herein without definition have the meanings provided for in the Plan.

Telecom, Inc. ("Birch") and its subsidiaries (the "Subsidiary Debtors"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors" or the "Reorganized Debtors," depending on the context);

IT APPEARING TO THE COURT that the Plan is supported by the official committee of the Debtors' unsecured creditors (the "Committee") and by the secured lenders under the Debtors' Credit Agreement (the "Lenders");

IT FURTHER APPEARING TO THE COURT that the Disclosure Statement with Respect to Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and Its Subsidiaries dated February 15, 2006 (the "Disclosure Statement") has been previously approved by the Court as containing "adequate information" as such term is defined in 11 U.S.C. § 1125(a)(1) and used in 11 U.S.C. §1125(b) with respect to the Ballots, the Plan and the transactions contemplated therein, pursuant to the Order (I) Determining Dates, Procedures and Forms Applicable to Solicitation Process, (II) Establishing Vote Tabulation Procedures, and (III) Establishing Objection

Deadline and Scheduling Hearing to Consider Confirmation of Plan, dated February 14, 2006 (the "Solicitation Procedures Order");

IT FURTHER APPEARING TO THE COURT that solicitation and noticing procedures with respect to the Plan have been approved by the Court, pursuant to the Solicitation Procedures Order;

IT FURTHER APPEARING TO THE COURT that the Debtors have filed a Notice of Continued Confirmation Hearing (Docket No. 677) (the "Notice of Continued Confirmation Hearing");

IT FURTHER APPEARING TO THE COURT that the Debtors have filed with the Court a Plan Supplement Pursuant to Article XIV.P of the Plan dated March 17, 2006 and a First Modification to Plan Supplement dated March 28, 2006 (collectively, the "Plan Supplement"), submitting therein forms of certain documents in substantially the form necessary to implement the Plan, including the Reorganized Birch Telecom, Inc. Certificate of Incorporation, the Reorganized Birch Telecom, Inc. Bylaws, the New Secured Credit Agreement, the New Guarantee and Collateral Agreement, the

Stockholders' Rights Agreement, the Class 4 Creditor Trust Agreement, the Deficiency Claim Trust Agreement, the Plan Trust Agreement and the Non-Exclusive Schedule of Rejected Unexpired Leases and Executory Contracts (collectively, the "Plan Documents");

IT FURTHER APPEARING TO THE COURT that the Debtors or the Committee, as applicable, have filed with the Court a (I) Notice of Designation of Directors and Officers Pursuant to Article V.G., dated March 29, 2006, (II) Notice of Designation of Plan Trust Trustee Pursuant to Article V.F. of the Plan, dated March 17, 2006, (III) Notice of Designation of Estate Representative, dated March 17, 2006, and (IV) Amended Notice of Designation of Estate Representative and Class 4 Creditor Trust Trustee, dated March 20, 2006;

IT FURTHER APPEARING TO THE COURT that the deadline for filing objections to the Plan has passed and that the only objections to confirmation of the Plan were those filed by the entities identified on Exhibit A hereto, and that each of those objections has been withdrawn, settled, waived or otherwise resolved;

IT FURTHER APPEARING TO THE COURT that the deadline for casting ballots to accept or reject the Plan has passed and that Bankruptcy Services LLC acting as Voting Agent pursuant to the Solicitation Procedures Order has filed herein the Affidavit of Bridget Gallerie Certifying the Ballots Accepting or Rejecting the Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and Its Subsidiaries (Docket No. 673) (the "Tabulation Declaration");

IT FURTHER APPEARING TO THE COURT THAT on March 29, 2006, the Debtors filed the Memorandum of Law in Support of Confirmation of Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and Its Subsidiaries (Docket No. 687) (the "Confirmation Memorandum"); and

IT FURTHER APPEARING TO THE COURT that on March 29, 2006, the Debtors filed the supporting declarations of Gregory C. Lawhon (Docket No. 685) and Qazi M. Fazal (Docket No. 684) (together, the "Confirmation Declarations"); and

IT FURTHER APPEARING TO THE COURT that the Debtors have presented and proffered testimony, evidence

and argument of counsel in support of confirmation of the Plan, and that additional testimony, evidence or argument of counsel has been presented by other parties in interest;

NOW, THEREFORE, based upon the Court's review of (a) the Disclosure Statement, (b) the Plan, (c) the Confirmation Declarations, (d) the Tabulation Declaration, (e) the Confirmation Memorandum, (f) the objections to confirmation of the Plan, (g) all of the evidence proffered or adduced at, filings in connection with, and arguments of counsel made at, the Confirmation Hearing, and (h) the entire record of these chapter 11 cases; and after due deliberation thereon and good cause appearing therefor, and for the reasons set forth on the record at the Confirmation Hearing,

IT IS HEREBY FOUND AND DETERMINED THAT:⁴

A. Jurisdiction; Venue; Core Proceeding.

The Court has jurisdiction over the Debtors' chapter 11 cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is

⁴ Pursuant to Fed. R. Bankr. P. 7052, findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate.

proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L) over which the Court has exclusive jurisdiction.

B. Judicial Notice. The Court takes judicial notice of the docket of the Debtors' chapter 11 cases maintained by the Clerk of the Court and/or its duly-appointed agent, including, without limitation, all pleadings and other documents filed with, all orders entered by, and evidence and argument made, proffered or adduced at the hearings held before the Court during the pendency of the chapter 11 cases.

C. Transmittal and Mailing of Solicitation Materials and Notices. The solicitation materials and notices prescribed by the Solicitation Procedures Order were served in compliance with the Solicitation Procedures Order, and such service was adequate and sufficient. Supplemental notice of the Confirmation Hearing was provided by publication as required by the Solicitation Procedures Order. Adequate and sufficient notice of the Confirmation Hearing and the other deadlines and matters required to be noticed pursuant to

the Solicitation Procedures Order was given in compliance with the Bankruptcy Rules and the Solicitation Procedures Order, and no other or further notice is or shall be required.

D. Adequacy of Solicitation Procedures. All procedures used to distribute the solicitation materials to the appropriate creditors entitled to vote on the Plan and to tabulate the ballots returned by creditors were fair and were conducted in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Solicitation Procedures Order. Votes for acceptance or rejection of the Plan were solicited and cast in good faith and in compliance with 11 U.S.C. §§ 1125 and 1126 and Fed. R. Bankr. P. 3017 and 3018.

E. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before the Court in these chapter 11 cases, the Debtors, the Agent, the Lenders and the Committee, and each of their respective directors, officers, employees, members, agents, advisors, accountants, financial advisors, consultants, attorneys, and other representatives, have acted in good

faith within the meaning of 11 U.S.C. § 1125(e) and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Solicitation Procedures Order in connection with all of their respective activities relating to the solicitation of acceptances of the Plan and their participation in the activities described in 11 U.S.C. § 1125, and are entitled to the protections afforded by 11 U.S.C. § 1125(e) and, to the extent applicable, the exculpation and injunctive provisions set forth in Articles XIV.J and XIV.K of the Plan.

F. Impaired Classes that have Voted to Accept or Reject the Plan. As evidenced by the Tabulation Declaration, which certified both the method and results of the voting, the Accepting Classes (defined below), the Accepting Class 4A Sub-Classes (defined below) and the Accepting Class 4 Sub-Classes (defined below) are each impaired and have voted to accept the Plan pursuant to the requirements of 11 U.S.C. §§ 1124 and 1126. Thus, at least one impaired Class of Claims has voted to accept the Plan. The Rejecting Class 4A Sub-Classes (defined below) and the

Rejecting Class 4 Sub-Classes (defined below) have voted to reject the Plan or are deemed to have rejected the Plan.

G. Classes Deemed to have Accepted or Rejected the Plan. Classes 1 and 3 are not impaired under the Plan and are deemed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f). Classes 5, 6, 7, 8, 9 and 10 will receive no distribution under the Plan on account of their respective claims and interests and are deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g).

H. Compromises and Settlements Embodied in Plan. The Plan represents a compromise and settlement agreed to among the Debtors, the Lenders and the Committee, each on behalf of their respective constituencies, as to a myriad of significant and complex issues in dispute in the chapter 11 cases, including, without limitation, the issues detailed in Article II.A of the Plan (the "Lender Settlement") and the treatment of General Unsecured Claims pursuant to the Committee Settlement (as defined in the Plan). In the absence of the Lender Settlement and Committee

Settlement reached by the parties and embodied in the Plan, the Debtors' emergence from chapter 11 would be significantly delayed by time-consuming and expensive litigation, the outcome of which could impair the ability of the Debtors to successfully reorganize and prejudice the recovery rights of all creditors. The terms and provisions of the Plan that reflect the Lender Settlement and Committee Settlement do not discriminate unfairly, and are fair and equitable and within the bounds of reasonableness, with respect to each class of claims and interests treated under the Plan.

I. Global Settlements. In addition to the Lender Settlement, the Plan implements global settlements with certain other key parties (the "Global Settlements"), including settlements with (i) SBC and its affiliates (the "SBC Settlement"), (ii) BellSouth and its affiliates (the "BellSouth Settlement") and (iii) certain other key parties set forth on Schedule 5 to the Plan, as amended by the Plan Supplement. The SBC Settlement, the BellSouth Settlement and the other Global Settlements provide valuable benefits to the Debtors' Estates including (i) a reduction in General

Unsecured Claims against the Debtors and (ii) continuing services to the Reorganized Debtors. The SBC Settlement, the BellSouth Settlement and the other Global Settlements are important for the ongoing business operations of the Reorganized Debtors and are fair, reasonable and in the best interests of the Debtors and their Estates.

J. Debtor Releases, Voluntary Creditor Releases and Exculpations. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a): (i) the settlements, compromises, releases, discharges, exculpations, and injunctions set forth in the Plan, including, but not limited to, the releases set forth in Article XIV.I of the Plan, 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 (ii) the releases proposed to be made by the Debtors on behalf of third parties pursuant to Article XIV.I.1 of the Plan are appropriate and should be approved. There is an identity of interest between the Debtors and certain of the proposed released parties; certain of the proposed

released parties have made a substantial contribution to the Debtors' reorganization; the releases are necessary to the effectuation of the compromises and settlements embodied in the Plan, including, without limitation, the Lender Settlement, and to the success of the Debtors' rehabilitation under the Plan; and the compromises and settlements contained in the Plan upon which certain of the releases are premised will allow for distributions to creditors not otherwise available. In addition, the releases by non-Debtors who voted for the plan provided for in Article XIV.I.2 are voluntary and reasonable given the scope of the release, and the Debtors' compliance with Bankruptcy Rule 2002(c)(3). See In re Zenith Electronics Corp., 241 B.R. 92, 110-11 (Bankr. D. Del. 1999). Such releases were fully disclosed and are consensual agreements by creditors who voted to accept the Plan. The exculpation provisions in Article XIV.K of the Plan are appropriate and should be approved.

K. New Secured Indebtedness Under Plan. The Plan contemplates that the Debtors' indebtedness under the Credit Agreement shall be restructured into the New Secured Indebtedness under the New Secured Credit

Agreement in the aggregate amount of \$35 million less the Contingent Reduction (as defined below). Subject to the Contingent Reduction, the New Secured Indebtedness will be in the form of a \$35 million, fully-secured, first priority note, (i) \$28.5 million of which will be subject to quarterly amortization of \$4 million per quarter, beginning in the third quarter of 2007, with a \$8.5 million "bullet" payment due at maturity at the end of the fourth quarter of 2008, (ii) \$3.5 million of which will be Term C Loan Indebtedness as defined in the New Secured Credit Agreement payable on the Maturity Date and subject to the Contingent Reduction and (iii) \$3 million of which will be payable upon a sale or liquidation of all or substantially all of the assets of the Reorganized Debtors. The Debtors' entry into a new credit agreement is in the best interest of the Debtors' estates and creditors and hereby is approved. In the event that the aggregate amount of payments actually made to holders of Allowed Priority Tax Claims in these cases on account of such Claims exceeds \$1.8 million, then the aggregate amount of New Secured Indebtedness under the New Secured Credit Agreement shall be reduced

dollar for dollar (the "Contingent Reduction"), with such Contingent Reduction reducing, specifically, the \$3.5 million amount of Term C Loan New Secured Indebtedness that is subject to repayment on the Maturity Date.

L. Allowance and Security of Lender Secured Claims. The Court hereby makes the following specific determinations with respect to the Class 2 Lender Secured Claims in accordance with the approval of the Lender Settlement by this Confirmation Order and Article IV.C of the Plan:

(i) *Class 2.1- Finance Lender Secured Claims.* Class 2.1 Finance Lender Secured Claims are (i) Allowed as undisputed, noncontingent and liquidated in the aggregate amount of \$42 million and (ii) secured by enforceable first priority liens and security interests granted by Finance upon and in substantially all of Finance's assets and property of any kind including all proceeds thereof.

(ii) *Classes 2.2- 2.29 Credit Agreement Guarantee Secured Claims.* Class 2.2 - 2.29 Credit Agreement Guarantee Secured Claims against each of the Debtors are secured by enforceable first priority liens and security interests granted by each such Debtor upon and in substantially all of such Debtor's assets and property of any kind including all proceeds thereof.

M. Cancellation and Extinguishment of Lender Deficiency Claims. In accordance with the approval of the Lender Settlement by this Confirmation Order and Article IV.C of the Plan, holders of Allowed Lender Deficiency Claims shall not receive or retain any property under the Plan on account of such Claims, and on the Consummation Date, all such Lender Deficiency Claims shall be deemed cancelled and extinguished.

N. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying 11 U.S.C. § 1129(a)(1).

(i) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Claims and Priority Tax Claims, which need not be classified, the Plan designates ten classes of claims and interests. The claims and interests placed in each class are substantially similar to other claims and interests, as the case may be, in each such class. Valid business, factual and legal reasons exist for separately classifying the various classes of claims and interests created under the Plan, and such classes do not unfairly discriminate among holders of claims and interests. Thus, the Plan satisfies 11 U.S.C. §§ 1122 and 1123(a)(1).

(ii) Specify Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Articles IV.C.1 and IV.C.3 of the Plan specify that Classes 1 and 3 are unimpaired

under the Plan, thereby satisfying 11 U.S.C. § 1123(a)(2).

(iii) *Specify Treatment of Impaired Classes* (11 U.S.C. § 1123(a)(3)). Articles IV.C.2, IV.C.4, IV.C.5, IV.C.6, IV.C.7, IV.C.8, IV.C.9, IV.C.10, IV.C.11 and IV.C.12 of the Plan designate Classes 2, 4A, 4, 4B, 5, 6, 7, 8, 9 and 10 as impaired and specify the treatment of claims and interests in those classes, thereby satisfying 11 U.S.C. § 1123(a)(3).

(iv) *No Discrimination* (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each claim or interest in each respective class unless the holder of a particular claim or interest has agreed to a less favorable treatment of such claim or interest, thereby satisfying 11 U.S.C. § 1123(a)(4).

(v) *Implementation of Plan* (11 U.S.C. § 1123(a)(5)). The Plan, the attachments thereto, and the various documents and agreements set forth in the Plan Supplement provide adequate and proper means for the Plan's implementation, thereby satisfying 11 U.S.C. § 1123(a)(5).

(vi) *Non-Voting Equity Securities* (11 U.S.C. § 1123(a)(6)). Article V.A of the Plan provides that the certificate or articles of incorporation and bylaws of each of the Debtors shall be amended to provide for the inclusion of provisions prohibiting the issuance of nonvoting equity securities, subject to further amendment of such certificate or articles of incorporation and bylaws or other organization documents as permitted by applicable law. Thus, the requirements of 11 U.S.C. § 1123(a)(6) are satisfied.

(vii) *Selection of Officers and Directors* (11 U.S.C. § 1123(a)(7)). In the Disclosure Statement and the Designation, the Debtors properly and adequately disclosed the identity and affiliations of all individuals or entities proposed to serve on

or after the Consummation Date as officers or directors of the Reorganized Debtors and the manner of selection and appointment of such individuals or entities is consistent with the interests of holders of claims and interests and with public policy and, accordingly satisfies the requirements of 11 U.S.C. § 1123(a)(7).

(viii) *Additional Plan Provisions (11 U.S.C. § 1123(b))*. The Plan's additional provisions are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code, thereby satisfying 11 U.S.C. § 1123(b).

(ix) *Assumption and Rejection (11 U.S.C. §§ 365(a) and (b))*. Article VIII of the Plan, governing the assumption and rejection of executory contracts and unexpired leases, meets the requirements of 11 U.S.C. § 365.

O. Compliance with Fed. R. Bankr. P. 3016.

The Plan is dated and identifies the entities submitting it, thereby satisfying Fed. R. Bankr. P. 3016(a). The filing of the Disclosure Statement with the Court satisfies Fed. R. Bankr. P. 3016(b).

P. Compliance with Fed. R. Bankr. P. 3017.

The Debtors have given notice of the Confirmation Hearing as required by Fed. R. Bankr. P. 3017(d) and the Solicitation Procedures Order. The solicitation materials prescribed by the Solicitation Procedures Order were transmitted to the creditors entitled to vote

on the Plan in accordance with Fed. R. Bankr. P. 3017(d).

Q. Compliance with Fed. R. Bankr. P. 3018.

The solicitation of votes to accept or reject the Plan satisfies Fed. R. Bankr. P. 3018. The Plan was transmitted to all creditors entitled to vote on the Plan, sufficient time was prescribed for such creditors to accept or reject the Plan, and the solicitation materials used and solicitation procedures followed comply with 11 U.S.C. § 1126, thereby satisfying the requirements of Fed. R. Bankr. P. 3018.

R. Debtors' Compliance with Bankruptcy Code

(11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying 11 U.S.C. § 1129(a)(2). Specifically, (i) each of the Debtors is an eligible debtor under 11 U.S.C. § 109; (ii) the Debtors have complied with all applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by order of the Court; and (iii) the Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the local rules

of this Court and the Solicitation Procedures Order in transmitting this Plan, the Disclosure Statement and related documents and notices and in soliciting and tabulating votes on the Plan.

S. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying 11 U.S.C. § 1129(a)(3). In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the formulation of the Plan. The Debtors filed their chapter 11 cases and proposed the Plan with legitimate and honest purposes including, among other things, (i) the reorganization of the Debtors' businesses, (ii) the preservation and maximization of the Debtors' business enterprise values through a reorganization under chapter 11, (iii) restructuring of the Debtors' capital structure, and (iv) maximization of the recovery to creditors under the circumstances of these cases. Furthermore, the Plan reflects and is the result of arms-length negotiations among the Debtors, the Lenders and the Committee and is

consistent with the best interests of the Debtors and their Estates.

T. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). All payments made or to be made by the Debtors or by a 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, have been approved by, or are subject to the approval of, the Court as reasonable, thereby satisfying 11 U.S.C. § 1129(a)(4).

U. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with 11 U.S.C. § 1129(a)(5). The identity and affiliations of the persons that will serve as initial directors or officers of the Reorganized Debtors after confirmation of the Plan have been fully disclosed in the Disclosure Statement and the Designation. The appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of claims against and interests in the Debtors and with public

policy. The identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation have also been fully disclosed, to the extent applicable.

V. No Rate Changes (11 U.S.C. § 1129(a)(6)).

The Debtors' Plan does not provide for any rate change that requires regulatory approval and, therefore, section 1129(a)(6) of the Bankruptcy Code is not applicable.

W. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies 11 U.S.C. § 1129(a)(7). The liquidation analysis attached as Exhibit D to the Disclosure Statement and other evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an impaired claim or interest either has accepted the Plan or will receive or retain under the Plan, on account of such claim or interest, property of a value, as of the Consummation Date, that is not less than the amount that such holder would receive or retain if the

Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

X. Deemed Acceptance or Rejection by Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 3 are classes of unimpaired claims and interests that are conclusively presumed to have accepted the Plan under 11 U.S.C. § 1126(f). Classes 2 and 4B (collectively, the "Accepting Classes"), certain sub-Classes within Class 4A identified on Exhibit B hereto (collectively, the "Accepting Class 4A Sub-Classes") and certain sub-Classes within Class 4 identified on Exhibit C hereto (collectively, the "Accepting Class 4 Sub-Classes") have voted to accept the Plan in accordance with 11 U.S.C. §§ 1126(c). Certain sub-Classes within Class 4A identified on Exhibit D hereto (collectively, the "Rejecting Class 4A Sub-Classes") and certain sub-Classes within Class 4 identified on Exhibit E hereto (collectively, the "Rejecting Class 4 Sub-Classes") are deemed to reject the Plan or have voted to reject the Plan pursuant to 11 U.S.C. § 1126(c). Classes 5, 6, 7, 8, 9 and 10 are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the

Plan pursuant to 11 U.S.C. § 1126(g). Although 11 U.S.C. § 1129(a)(8) has not been satisfied with respect to Classes 5, 6, 7, 8, 9 and 10, the Rejecting Class 4A Sub-Classes, and the Rejecting Class 4 Sub-Classes, the Plan is confirmable because the Plan satisfies 11 U.S.C. § 1129(b) with respect to those classes of claims and interests, as set forth in Paragraph DD below.

Y. Treatment of Administrative, Priority and Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims, Priority Tax Claims and Other Priority Claims pursuant to Articles III.A, III.B and IV.C.1 of the Plan satisfies the requirements of 11 U.S.C. §§ 1129(a)(9)(A), (B) and (C).

Z. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). The Accepting Classes, the Accepting Class 4A Sub-Classes and the Accepting Class 4 Sub-Classes are impaired classes of claims that voted to accept the Plan, and, to the Debtors' knowledge, do not contain insiders whose votes have been counted. Therefore, the requirement of 11 U.S.C. § 1129(a)(10) that at least one class of claims against or interests in the Debtors that is impaired under the Plan has

accepted the Plan, determined without including any acceptance of the Plan by any insider, has been satisfied.

AA. Feasibility (11 U.S.C. § 1129(a)(11)).

The projections set forth in the Disclosure Statement and other evidence proffered or adduced by the Debtors at the Confirmation Hearing with respect to feasibility, including the Confirmation Declarations (i) are persuasive and credible, (ii) have not been controverted by other evidence and (iii) establish that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Reorganized Debtors, thus satisfying the requirements of 11 U.S.C. § 1129(a)(11).

BB. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees payable under 28 U.S.C. § 1930 on or before the Consummation Date, as determined by the Court, have been paid or will be paid on the Consummation Date pursuant to Article XIV.D of the Plan, thus satisfying the requirements of 11 U.S.C. § 1129(a)(12).

CC. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Any retiree benefits within the meaning of 11 U.S.C. § 1114 will be continued to be paid by the Debtors at previously established levels pursuant to Article VIII.H of the Plan. Thus, the requirements of 11 U.S.C. § 1129(a)(13) are satisfied.

DD. Fair and Equitable; No Unfair Discrimination (11 U.S.C. § 1129(b)). The Rejecting Class 4A Sub-Classes and the Rejecting Class 4 Sub-Classes are impaired classes of claims that have rejected the Plan pursuant to 11 U.S.C. § 1126(c) or are deemed to reject the Plan, and Classes 5, 6, 7, 8, 9, and 10 are impaired classes of claims and interests that are deemed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g). The Plan does not discriminate unfairly and is fair and equitable with respect to the Rejecting Class 4A Sub-Classes, the Rejecting Class 4 Sub-Classes and Classes 5, 6, 7, 8, 9 and 10 as required by 11 U.S.C. § 1129(b)(1). Thus, the Plan may be confirmed notwithstanding the Debtors' failure to satisfy 11 U.S.C. § 1129(a)(8). Upon confirmation and the occurrence of the Consummation Date, the Plan shall

be binding upon the members of Classes 5, 6, 7, 8, 9 and 10 and Rejecting Class 4A Sub-Classes and the Rejecting Class 4 Sub-Classes.

EE. Principal Purpose (11 U.S.C. § 1129(d)).

The principal purpose of the Plan is neither the avoidance of taxes nor the avoidance of Section 5 of the Securities Act of 1933, and no governmental unit has objected to the confirmation of the Plan on any such grounds. The Plan therefore satisfies the requirements of 11 U.S.C. § 1129(d).

FF. Plan Modifications. The modifications to the Plan set forth herein do not materially or adversely affect or change the treatment of any holder of a Claim who has not accepted the modifications. Accordingly, pursuant to Fed. R. Bankr. P. 3019, such modifications do not require additional disclosure under 11 U.S.C. § 1125 or resolicitation of acceptances or rejections under 11 U.S.C. § 1126, nor do they require that holders of claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan. Disclosure of the modifications on the record at the Confirmation Hearing constitutes due and sufficient

notice thereof under the circumstances of these chapter 11 cases.

GG. No Objection to Disposition of Contracts and Leases. No party to an executory contract or unexpired lease to be assumed by the Debtors pursuant to Article VIII.A of the Plan or rejected by the Debtors pursuant to Article VIII.D of the Plan has objected to the assumption or rejection thereof.

HH. No Liquidation. Because the Plan does not provide for the liquidation of all or substantially all of the property of the Debtors' estates and the Reorganized Debtors will engage in businesses following consummation of the Plan, 11 U.S.C. § 1141(d)(3) is not applicable.

II. Burden of Proof. The Debtors, as proponents of the Plan, have met their burden of proving the elements of 11 U.S.C. §§ 1129(a) and (b) by a preponderance of the evidence.

JJ. Satisfaction of Confirmation Requirements. Based on the foregoing, the Plan satisfies the requirements for confirmation set forth in 11 U.S.C. § 1129. The Debtors and the Lenders have

represented to the Court that the conditions precedent to confirmation set forth in Article XI.A of the Plan have either been satisfied or waived.

KK. Retention of Jurisdiction. The Court may properly, and upon the Consummation Date shall, retain jurisdiction over the matters set forth in Article XIII of the Plan and section 1142 of the Bankruptcy Code.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Findings of Fact and Conclusions of Law.

The above referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable herein by Fed. R. Bankr. P. 9014. To the extent that any findings of fact shall be determined to be a conclusion of law, it shall be deemed so, or vice versa.

2. Objections. All objections that have not been withdrawn, resolved, waived or settled, and all

reservations of rights pertaining to confirmation of the Plan included therein, are overruled on the merits.

3. Modifications to the Plan. The terms of the Plan shall be deemed modified, amended, and/or restated by this Order as follows:

(i) **Section 1.65 of the Plan (Definition of Estate Representative).** The number of entities who potentially may be selected to serve as the Estate Representative is modified by replacing the phrase "the Person" with the phrase "one or more Persons" in the first sentence of section 1.65 of the Plan.

(ii) **Article XIV.J of the Plan (Injunction).**

The first paragraph of Article XIV.J. is modified by replacing the word "only" in numerette (iv) with the word "except" so that its reads "(except to the extent the claim underlying the right of subrogation was timely filed or deemed timely filed);".

The second paragraph of Article XIV.J is amended to add the following parenthetical following the end of numerette (iv) describing the injunction against entities asserting a setoff or right of subrogation, stating: "(except to the extent the claim underlying the right of subrogation was timely filed or deemed timely filed);".

(iii) **Article V.J of the Plan (Exemption from Certain Transfer Taxes)** Article V.J is deleted and replaced with the following paragraph:

"Pursuant to section 1146(c) of the Bankruptcy Code, any transfers from a Debtor to a Reorganized Debtor or any other Person or entity pursuant to the Plan shall not be subject to any stamp tax or similar tax, and the Confirmation Order shall

direct the appropriate state or local government officials or agents to forgo the collection of any such tax and to accept for filing and recordation any of the foregoing instruments or other documents without the payment or any such tax."

(iv) **Section 1.95 of the Plan (Definition of New Secured Indebtedness)** The amount of the New Secured Indebtedness is modified by adding the phrase "less the Contingent Reduction" after the word "million" in section 1.95 of the Plan.

(v) **Section 1.40A of the Plan (Definition of Contingent Reduction)** The definitions are revised to add the following as Section 1.40A:

"Contingent Reduction" means in the event that the aggregate amount of payments actually made to holders of Allowed Priority Tax Claims in these cases on account of such Claims exceed \$1.8 million, then the aggregate amount of New Secured Indebtedness under the New Secured Credit Agreement shall be reduced dollar for dollar, with such Contingent Reduction reducing, specifically, the \$3.5 million amount of Term C Loan New Secured Indebtedness that is subject to repayment on the Maturity Date."

The Plan as modified by the foregoing modifications shall constitute the Plan and all references herein to the Plan shall mean the Plan as so modified.

4. Confirmation of Plan. The Plan is approved and confirmed under 11 U.S.C. § 1129.

5. Incorporation of Terms and Provisions of Plan. The terms and provisions of the Plan are incorporated by reference into and are an integral part

of this Confirmation Order. Each term and provision of the Plan is valid, binding and enforceable as though fully set forth herein. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are non-severable and mutually dependent. The failure specifically to include or reference any particular term or provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such term and provision, it being the intent of the Court that the Plan be confirmed in its entirety. To the extent there is any inconsistency between this Confirmation Order and the Plan, the Confirmation Order shall govern.

6. Binding Effect. Effective on the Consummation Date, and except as expressly provided in this Confirmation Order, the Plan and its provisions shall be binding upon the Debtors, the Reorganized Debtors, any entity acquiring or receiving property or a distribution under the Plan and any holder of a claim against or interest in the Debtors, including all governmental entities, whether or not the claim or

interest of such holder is impaired under the Plan and whether or not such holder or entity has accepted the Plan.

7. Approval of Compromises and Settlements Embodied in Plan. The compromises and settlements of the issues described in Article II of the Plan, and the terms and provisions of the Plan reflecting such compromises and settlements, are approved. The Lender Settlement, in accordance with the provisions of Article II.A. of the Plan, is approved. The SBC Settlement, the BellSouth Settlement and each Global Settlement (each a "Settlement", and collectively, the "Settlements"), in accordance with the provisions of Article II.B of the Plan are approved, subject to the terms and conditions of the Plan, this Confirmation Order, the separate orders approving the Settlements (the "Orders") and the terms of each Settlement; provided, however, that to the extent of any conflict between the terms of each Settlement, this Confirmation Order, the Plan and the Orders, the terms of each Settlement control.

8. The Committee Settlement is approved. The Debtors or the Reorganized Debtors shall transfer

the Class 4 Settlement Payment in the amount of \$2 million to the Class 4 Settlement Account pursuant to Article IV.C.5 of the Plan. All Avoidance Actions shall be deemed settled, released, and waived on the Consummation Date without further action by the Debtors or the Reorganized Debtors; provided, however, that the Reorganized Debtors and the Estate Representative shall retain the rights to assert any Avoidance Action defensively against any holder of a Claim that might be subject to an Avoidance Action, but only to the extent necessary to offset any liability of the Debtors or the Reorganized Debtors on unsettled and Disputed General Unsecured Claims, including without limitation Claims of the kind contemplated by section 502(g)(1) of the Bankruptcy Code. The holders of Lender Deficiency Claims shall not receive any distribution on account of Lender Deficiency Claims, and the Deficiency Claim Trust shall not be established. The Committee and its members (in their individual capacities, and only as to particular Committee members who agree in writing in advance of the Consummation Date) shall be deemed to have exchanged releases with and from the Debtors, their

Estates, the Agent and the Lenders, which release may be reflected in written form agreeable to the parties exchanging such releases (but such releases shall not affect such Committee members' rights to allowance and treatment of their claims under and as provided in the Plan).

9. Approval of Releases and Exculpation; Injunction. The Debtor releases of parties provided in Article XIV.I.1 of the Plan, the consensual and voluntary creditor releases of third parties provided in Article XIV.I.2 of the Plan, and the exculpations provided for in Article XIV.K of the Plan are approved. As of the Confirmation Date, all holders of Claims or Interests that are discharged or terminated pursuant to the Plan are permanently enjoined from taking any of the following actions against the Debtors, the Reorganized Debtors, the Class 4 Creditor Trust, the Deficiency Claim Trust, the Plan Trust or their property: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating,

perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff (except to the extent such setoff is preserved under the Plan for a holder of an Allowed Class 3 Claim) or right of subrogation of any kind against any debt, liability or obligation due to the Debtors (except to the extent the claim underlying the right of subrogation was timely filed or deemed timely filed); and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan. As of the Consummation Date, all entities that receive releases pursuant to the Plan are permanently enjoined from taking any of the following actions on account of any released Claims, obligations, suits, judgments, demands, debts, rights, causes of action or liabilities: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff (except to the extent such setoff is preserved under the Plan for a holder of an Allowed

Class 3 Claim) or right of subrogation of any kind against any debt, liability or obligation due to any released entity (except to the extent the claim underlying the right of subrogation was timely filed or deemed timely filed); and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

10. Allowance of Lender Claims and Liens. As a result of the Lender Settlement set forth in the Plan, (i) the Lender Claims are hereby Allowed as undisputed, uncontingent and liquidated in the aggregate settled amount of \$108,610,552.12; (ii) the Finance Lender Secured Claims and the Credit Agreement Guarantee Secured Claims are hereby Allowed as undisputed, noncontingent and liquidated in the aggregate settled amount of \$42 million; (iii) the Lender Deficiency Claims are hereby deemed Allowed as undisputed, noncontingent and liquidated in the aggregate settled amount of \$66,609,047.22; and (iv) the liens of the Lenders upon and in substantially all of the assets and properties of the Debtors, including all of the assets

and properties of Birch Telecom of Texas Ltd., L.L.P., and upon all proceeds thereof, are hereby deemed perfected and not subject to avoidance. All settlements, compromises, releases, discharges, injunctions and exculpations set forth in the Plan shall be, and hereby are, effective and binding on all persons and entities who may have had standing to assert such claims or causes of action against the Agent or the Lenders, and no other person or entity shall possess such standing to assert such claims or causes of action after the Consummation Date.

11. Approval of New Secured Indebtedness

Under Plan. The restructuring of the Debtors' indebtedness under the Credit Agreement represented by the Finance Lender Secured Claims and the Credit Agreement Guarantee Secured Claims into the New Secured Indebtedness under the New Secured Credit Agreement in the aggregate amount of \$35 million (subject to the Contingent Reduction) is approved and the Debtors or Reorganized Debtors, as applicable, are authorized to execute, deliver and perform their obligations under the New Secured Credit Agreement, New Promissory Note, New

Guarantee and Collateral Agreement and all other documents, instruments and agreements to be entered into in connection with the New Secured Indebtedness (collectively, the "New Secured Indebtedness Documents") with terms and provisions substantially consistent with those set forth in the Plan Supplement, with such changes as may be agreed between the Debtors or Reorganized Debtors, as applicable, and the lenders thereunder, and the New Agent, as necessary or appropriate to effect the restructuring of the Debtors' indebtedness under the Credit Agreement in accordance with the Plan. The New Secured Indebtedness Documents shall constitute legal, valid, binding and authorized obligations of the Debtors or Reorganized Debtors, as applicable, enforceable in accordance with their terms, and shall create the security interests and liens purported to be created thereby.

12. Transfers of Property. On the Consummation Date, the transfers of property to be made by the Debtors (i) to the Reorganized Debtors (a) are or will be legal, valid, and effective transfers of property, (b) vest or will vest the Reorganized Debtors

with good title to such property free and clear of all liens, charges, claims, encumbrances, or Interests, except as expressly provided in the Plan or Confirmation Order, (c) do not and will not constitute avoidable transfers under the Bankruptcy Code or under applicable bankruptcy or nonbankruptcy law, (d) do not and will not subject the Reorganized Debtors to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including any laws affecting successor, transferee or stamp or recording tax liability and (ii) to holders of Claims and Interests under the Plan are for good consideration and value.

13. Plan Implementation Authorization.

Pursuant to the Plan, each of the Debtors and the Reorganized Debtors are authorized and directed to take all actions necessary or appropriate and take such actions as may be necessary or appropriate to enter into, execute, implement and consummate the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with the Plan.

14. Exemption from Certain Taxes. Pursuant to 11 U.S.C. § 1146(c), any transfers from a Debtor to a Reorganized Debtor or any other Person or entity pursuant to the Plan shall not be subject to any stamp tax or similar tax. State and local governmental officials or agents are hereby directed to forego the collection of any such tax and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax.

15. Exemption from Securities Laws. The New Equity and New Subsidiary Equity issued under the Plan in exchange for Claims, are exempt from registration under the Securities Act pursuant to section 1145 of the Bankruptcy Code, except to the extent that any holders of New Equity may be deemed to be "underwriters," as that term is defined in section 1145 of the Bankruptcy Code.

16. Applicable Non-Bankruptcy Law. Pursuant to 11 U.S.C. §§ 1123(a) and 1142(a), the provisions of this Confirmation Order, the Plan or any amendments or modifications thereto shall apply and be enforceable

notwithstanding any otherwise applicable non-bankruptcy law, rule or regulation relating to financial condition.

17. Cancellation of Interests. Upon the Consummation Date, all Old Birch Series A Preferred Stock, Old Birch Common Stock, Old Subsidiary Equity and Other Equity Rights shall be deemed cancelled.

18. Approval of Assumption or Rejection of Contracts and Leases. Unless otherwise provided in an order of or in proceedings before the Court specifically dealing with (a) an executory contract or unexpired lease that is subject to assumption pursuant to Article VIII.A of the Plan, the assumption of such contract or lease is hereby approved as proposed in such Article VIII.A; and (b) an executory contract or unexpired lease that is subject to rejection pursuant to Article VIII.D of the Plan, the rejection of such contract is hereby approved as proposed in such Article VIII.D. All executory contracts or unexpired leases assumed or assumed and assigned by the Debtors during the Chapter 11 Case or under the Plan shall remain in full force and effect for the benefit of the Reorganized Debtors or their assignees notwithstanding any provision in such

contract or lease (including those described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits such assignment or transfer or that enables, permits or requires termination of such contract or lease.

19. Discharge. Except as expressly provided in the Plan or this Confirmation Order, the Debtors are discharged effective upon entry of this Confirmation Order, subject to the occurrence of the Consummation Date, from any "debt" (as that term is defined in section 101(12) of the Bankruptcy Code), and the Debtors' liability in respect thereof shall be extinguished completely, whether such debt (i) is reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or unfixed, matured or unmatured, disputed or undisputed, legal or equitable, or known or unknown, or (ii) arose from (a) any agreement of any of the Debtors that has either been assumed or rejected in the Chapter 11 Case or pursuant to the Plan, (b) any obligation of any of the Debtors incurred before the Confirmation Date, or (c) any conduct of any of the Debtors prior to the Confirmation Date, or that otherwise arose before

the Confirmation Date, including, without limitation, all interest, if any, on any such debts, whether such interest accrued before or after the Petition Date.

20. Appointment of Estate Representative; Compensation. Upon review of the Amended Notice of Designation of Estate Representative filed by the Committee designating the person who the Committee has selected as Estate Representative and the Declaration of Disinterestedness in support of such designation, Tamie Barsky is hereby appointed as the Estate Representative pursuant to Article V.K of the Plan. On and after the Consummation Date, the Estate Representative has the authority to manage and coordinate the reconciliation, liquidation and allowance/disallowance of all unresolved Class 4 General Unsecured Claims and Convenience Claims, including the prosecution and filing of objections to such Claims and shall stand in the shoes of the Debtors to prosecute the objections to such Claims that are pending, among other powers and duties set forth under Article V.K of the Plan. The Estate Representative shall be compensated pursuant to the agreement attached hereto as Exhibit F.

21. Administrative Claims Bar Date. All

Administrative Claims shall be filed with the Bankruptcy Court and served on the Reorganized Debtors and their counsel no later than sixty (60) days after the Consummation Date or forever be barred from doing so.

22. Deferred Payments to Holders of Allowed Priority Tax Claims. If the Debtors opt to pay Allowed Priority Tax Claims in deferred installments, such payments shall be paid in equal monthly installments of principal and accrued interest, with the first installment due on the tenth (10th) business day of the first calendar month following the Consummation Date, or on the tenth (10th) business day of the month following the date of entry of a Final Order allowing such Allowed Priority Tax Claim if an objection to such claim is filed. An Allowed Priority Tax Claim that is not paid in full following its allowance, shall accrue simple interest at the rate of 6% per annum from the Consummation Date and shall be paid over a period not exceeding three (3) years after the assessment of the tax underlying such Allowed Priority Tax Claim.

23. Nonseverability and Reversal. The provisions of this Confirmation Order are non-severable and mutually dependent. If any or all of the provisions of this Confirmation Order are hereafter reversed, modified or vacated by subsequent order of this Court or any other court, such reversal, modification or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under or in connection with the Plan prior to the Debtors' receipt of written notice of any such order. Notwithstanding any such reversal, modification or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

24. Authorization to Consummate Plan. Notwithstanding Fed. R. Bankr. P. 3020(e), the Confirmation Order shall take effect immediately upon its entry and the Debtors are authorized to consummate

the Plan immediately after entry of this Confirmation Order in accordance with the terms of the Plan.

25. Acceptance of Documents by Governmental Agencies. Subject to regulatory commission procedures and rules, each federal, state, commonwealth, local, foreign, or other governmental agency is hereby directed and authorized to accept any and all documents, mortgages, and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan and this Confirmation Order, including the New Secured Credit Agreement.

26. Stays and Injunctions. Pursuant to Article XIV.M of the Plan, unless otherwise provided in the Plan, all injunctions or stays arising under or entered during the Chapter 11 Case under 11 U.S.C. §§ 105 or 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Consummation Date.

27. Retention of Jurisdiction. Notwithstanding the entry of this Confirmation Order, or the occurrence of the Consummation Date, the Court will retain jurisdiction over the Debtors' Chapter 11 Case as

is legally permissible, including jurisdiction over the matters set forth in Article XIII. of the Plan.

28. Notice of Entry of Confirmation Order.

The Notice of Entry of Confirmation Order (the "Confirmation Notice"), substantially in the form attached hereto as Exhibit G, is hereby approved. Within ten (10) business days following the date of entry of this Confirmation Order, the Reorganized Debtors shall mail or cause to be mailed by first-class mail a copy of the Confirmation Notice to all of the Debtors' known creditors and equity interest holders, the United States Trustee, and all other entities required to be served under Bankruptcy Rules 2002 and 3017. These noticing procedures constitute good and sufficient notice of the entry of this Confirmation Order, and no other or further notice shall be necessary.

29. Resolution of Texas and Tennessee

Property Tax Objections. The Claims of certain Texas and Tennessee taxing authorities (collectively, the "Texas and Tennessee Taxing Authorities") who asserted

confirmation objections filed as Docket Nos. 597, 600, 601 and 611 on account of certain unpaid real and personal property taxes shall, to the extent such Claims are Allowed Secured Claims, be treated as Allowed Class 3 Other Secured Claims as set forth under the Plan; provided, however, that the foregoing is without prejudice to any party's right to object to such Claims under any applicable grounds under bankruptcy or non-bankruptcy law. Objections to such Claims must be filed no later than thirty (30) days after the Consummation Date (the "Texas and Tennessee Taxing Authorities Claim Objection Deadline"). Payment of such Claims shall be made in full in cash with applicable interest on the Consummation Date to the extent such Claims are then Allowed Secured Claims, or the first Business Day following the Texas and Tennessee Taxing Authorities Claim Objection Deadline, unless an objection to such Claims has been filed by such date. To the extent any objections to any particular Claim have been filed by the Texas and Tennessee Taxing Authorities Claim Objection Deadline, such Claims shall be paid in full in cash with applicable interest within ten (10) Business

Days of the resolution of any such objections. To the extent entitled to post-petition interest under Bankruptcy Code section 506(b) and applicable non-bankruptcy law, the Texas and Tennessee Taxing Authorities are hereby entitled to the payment of interim interest on account of such Allowed Other Secured Claims at the statutory rate specified under applicable state law from the Petition Date through the Consummation Date, and the rate of interest on account of such Allowed Other Secured Claims from and after the Consummation Date shall be paid at a stipulated rate of 8% per annum until paid in full. Furthermore, to the extent that the Texas and Tennessee Taxing Authorities have valid existing property tax liens, including liens for post-petition taxes, such parties shall be entitled to retain such liens in accordance with applicable state law until such time as the Claims secured by the property tax liens have been paid in full. Finally, real and personal property taxes to be paid to the Texas and Tennessee Taxing Authorities for the 2006 tax year qualifying as Allowed Administrative Expense Claims shall be timely paid when due in the ordinary course in

accordance with applicable non-bankruptcy law without the requirement that claims for such taxes or requests for payment of such taxes be filed with the Bankruptcy Court.

30. Resolution of Objection of Texas

Comptroller of Public Accounts. Within ten (10) days following the date when a Priority Tax Claim asserted by the Texas Comptroller of Public Accounts (the "Texas Comptroller") becomes an Allowed Claim, the Debtors or the Reorganized Debtors shall pay in Cash to the Texas Comptroller an amount equal to the unpaid portion of such Allowed Priority Tax Claim. Notwithstanding anything in the Plan to the contrary, but with respect to the Texas Comptroller only, the Plan shall not release or discharge any entity, other than the Debtors, from any liability owed to the Texas Comptroller for a tax debt, including interest and penalties. This Confirmation Order is not an admission by any party that such liability exists. Notwithstanding anything in the Plan to the contrary, but with respect to the Texas Comptroller only, the Plan shall not limit the Texas Comptroller's setoff rights under 11 U.S.C. § 553. This

Confirmation Order is not an admission by any party that such setoff rights exist. Notwithstanding anything in the Plan to the contrary, but with respect to the Texas Comptroller only, any post-petition taxes owing to the Texas Comptroller, including penalty and interest on such taxes, will be paid in full on or before the Consummation Date of the Plan. Notwithstanding anything in the Plan to the contrary, no transfers under the Plan shall be exempt from taxation, except to the extent permitted by 11 U.S.C. § 1146(c). The Plan shall not be construed to extend the scope of 11 U.S.C. § 1146(c) beyond its statutory terms. Except as set forth above, the provisions of the Plan shall remain in full force and effect as to the Texas Comptroller.

31. Voluntary Resignation of Gregory C.

Lawhon. In consideration of Gregory C. Lawhon's leadership of and service to the Debtors and their Estates during the Chapter 11 Case, and his agreement to remain available on mutually agreeable terms to provide services to Reorganized Birch as a consultant on an as-needed, part-time basis in order to support Reorganized Birch and its performance of its obligations under the

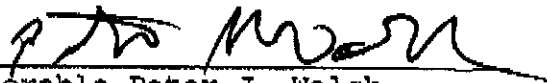
Plan (including providing post-confirmation assistance to the Estate Representative as required under Article V.K.3 of the Plan), on and as of the Consummation Date and in aid of consummation of the Plan: (i) Mr. Lawhon's voluntary resignation as an officer and director of the Debtors and the Reorganized Debtors shall be accepted by the Reorganized Debtors and (ii) Paragraph 3(d) of the Birch Telecom, Inc. Key Employee Retention Bonus Plan previously authorized by this Court, and any related terms of any ancillary agreement with Mr. Lawhon implementing such provision, shall not apply to Mr. Lawhon.

32. Releases of Committee Members. On the Consummation Date, and pursuant to Article II.A.11.d of the Plan, David Vranicar (as well as any other particular Committee members who agree in writing in advance of the Consummation Date) shall be deemed to have exchanged release with and from the Debtors, their Estates, the Agent and the Lenders, which releases may be reflected in written form agreeable to the parties exchanging such releases. Counsel for the Debtors and

the Committee may assist in the preparation of such written releases to the extent requested by particular Committee members.

Dated: Wilmington, Delaware

March 30 2006



Honorable Peter J. Walsh
United States Bankruptcy Judge

EXHIBIT A

PLAN OBJECTIONS

Confirmation Objections

Objection to Confirmation of Birch Telecom, Inc. and Its Subsidiaries Joint Plan of Reorganization filed by the Tennessee Department of Revenue (Docket No. 420)

Objection of the Texas Comptroller to Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and its Subsidiaries (Docket No. 583)

Missouri Department of Revenue's Objection to Confirmation of Third Amended Plan of Reorganization for Birch Telecom, Inc. and Its Subsidiaries (Docket No. 592)

Objection of Creditors Carrollton-Farmers Branch Independent School District, Garland Independent School District and Lewisville Independent School District to Confirmation of the Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and Its Subsidiaries (Docket No. 597)

Objection to Confirmation of the Debtors' Third Amended Joint Plan of Reorganization file by County of Bastrop, County of Comal, County of Denton, Pine Tree ISD, Longview ISD, City of Waco, Waco ISD, Midland Central Appraisal District, County of Taylor and County of Williamson (Docket No. 600)

Arlington ISD, et al.'s Objection to the Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and Its Subsidiaries (Docket No. 601)

Limited Objection of the City of Fort Worth, Texas to Confirmation of Debtors' Second Amended Joint Plan of Reorganization (Docket No. 608)

Objection of City of Dallas, Texas to Confirmation of Debtors' Third Amended Joint Plan of Reorganization (Docket No. 609)

Objection of the City of Oak Point, Texas to Confirmation of Debtors' Third Amended Joint Plan of Reorganization (Docket No. 610)

Objection to Confirmation of Third Amended Joint Reorganization Plan of Birch Telecom, Inc., and Its Subsidiaries filed by Texas Ad Valorem Tax Authorities and City of Memphis (Docket No. 611)

Objection to Debtors' Third Amended Plan of Reorganization filed by the City of Rollingwood (Docket No. 617)

EXHIBIT B

ACCEPTING CLASS 4A SUB-CLASSES

Accepting Class 4A Sub-Classes

Class 4A Sub-Class
Class 4.1A Birch Telecom, Inc.
Class 4.3A Ionex Communications, Inc.
Class 4.4A Ionex Communications North, Inc.
Class 4.8A Birch Equipment, Inc.
Class 4.11A Birch Management Corporation
Class 4.14A Birch Telecom of Kansas, Inc.
Class 4.15A Birch Telecom of Missouri, Inc.
Class 4.17A Birch Telecom of Oklahoma, Inc.
Class 4.20A Birch Telecom of the South, Inc.
Class 4.27A Birch Telecom of Texas Ltd., L.L.P.

EXHIBIT C

ACCEPTING CLASS 4 SUB-CLASSES

Accepting Class 4 Sub-Classes

Class 4 Sub-Class
Class 4.1 Birch Telecom, Inc.
Class 4.2 Birch Telecom 1996, Inc.
Class 4.3 Ionex Communications, Inc.
Class 4.4 Ionex Communications North, Inc.
Class 4.5 Ionex Communications South, Inc.
Class 4.8 Birch Equipment, Inc.
Class 4.9 Birch Internet Services, Inc.
Class 4.11 Birch Management Corporation
Class 4.14 Birch Telecom of Kansas, Inc.
Class 4.15 Birch Telecom of Missouri, Inc.
Class 4.17 Birch Telecom of Oklahoma, Inc.
Class 4.20 Birch Telecom of the South, Inc.

EXHIBIT D

REJECTING CLASS 4A SUB-CLASSES

Rejecting Class 4A Sub-Classes

Class 4A Sub-Class	Reasons For Rejection
Class 4.2A Birch Telecom 1996, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.5A Ionex Communications South, Inc.	Did not accept the Plan
Class 4.6A Ionex Telecommunications Leasing Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.7A Telecom Resources, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.9A Birch Internet Services, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.10A Birch Kansas Holdings, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.12A Birch Telecom Finance, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.13A Birch Telecom of Arkansas, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.16A Birch Telecom of Nebraska, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.18A Birch Texas Holdings, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.19A Birch Telecom of the Great Lakes, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.21A Birch Telecom of the West, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.22A Capital Communications Corporation	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.23A Dunn & Associates, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.24A I.S. Advertising, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.25A Telsource Communications, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.26A American Local Telecommunications L.L.C.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.28A G.B.S. Communications, Inc.	Contained no holders of Claims eligible to vote in such sub-Class
Class 4.29A M.B.S. Leasing, Inc.	Contained no holders of Claims eligible to vote in such sub-Class

EXHIBIT E

REJECTING CLASS 4 SUB-CLASSES

Rejecting Class 4 Sub-Classes

Class 4 Sub-Class	Reasons For Rejection
Class 4.6 Ionex Telecommunications Leasing Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.7 Telecom Resources, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.10 Birch Kansas Holdings, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.12 Birch Telecom Finance, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.13 Birch Telecom of Arkansas, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.16 Birch Telecom of Nebraska, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.18 Birch Texas Holdings, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.19 Birch Telecom of the Great Lakes, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.21 Birch Telecom of the West, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.22 Capital Communications Corporation	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.23 Dunn & Associates, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.24 I.S. Advortising, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.25 Telesource Communications, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.26 American Local Telecommunications L.L.C.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.27 Birch Telecom of Texas Ltd., L.L.P.	Did not accept the Plan
Class 4.28 G.B.S. Communications, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class
Class 4.29 M.B.S. Leasing, Inc.	No ballots received from any holder of Claims entitled to vote in such sub-Class

EXHIBIT F

FEE AGREEMENT FOR ESTATE REPRESENTATIVE

**SCHEDULE OF COMPENSATION FOR THE ESTATE REPRESENTATIVE AND
CLASS 4 CREDITOR TRUSTEE OF THE BIRCH TELECOM, INC.
CLASS 4 SETTLEMENT FUND**

On this the 17th day of March, 2006, as Estate Representative in the Birch Telecom Inc, *et al.* Chapter 11 Bankruptcy Case, Tamie Barsky, (the "Estate Representative") agrees to the following schedule of compensation ("Fee Agreement"):

1. **Defined Terms.** The capitalized terms contained in this Fee Agreement shall have the same meaning as provided in the Debtors' Third Amended Plan of Reorganization dated February 15, 2006 and confirmed by order of court on March 22, 2006 (the "Plan of Reorganization"), unless expressly defined otherwise.

2. **Compensation:** In exchange for performing the duties and obligations described in the Plan of Reorganization, the Estate Representative shall be reasonably compensated as follows:

2.1. **Hourly Rates:** The Estate Representative's hourly rate shall be \$175 per hour. The Estate Representative shall maintain generalized time records on a daily basis and submit a monthly recap of time expended on the matter to the Reorganized Debtor by the 15th day of the following month; provided however, that in no event will the aggregate amount of the hourly rate compensation exceed \$50,000 (the "Hourly Rate Compensation").

2.2. **Incentive Compensation:** In addition to the Hourly Rate Compensation, the Estate Representative shall be entitled to receive an incentive payment ("Success Fee") in exchange for increasing the funds available for distribution to Allowed Class 4 Claims (the "Additional Funds") as set forth below.

2.2.1. **Calculation of Additional Funds.** The Additional Funds shall be calculated by subtracting the Final Claims Pool and any professional fees (see paragraph 6 below) incurred by the Estate Representative from the Initial Claims Pool, as those terms are defined below.

a. **The Initial Claims Pool.** The Initial Claims Pool will be set at the effective date of the Plan of Reorganization at an amount that is mutually agreed to by Reed Smith, Chanin, and the Estate Representative pursuant to the following calculation: all Class 4 Claims as determined by the proofs of claims filed by the Class 4 Creditors, or, in the event the Class 4 Creditor has not a filed proof of claim, then by the amount listed in the Debtor's Schedules and Statements as an undisputed and liquidated debt owed to the Class 4 Creditor, plus an estimate of additional potential rejection damage claims, less: (i) the claims of Bell South and SBC; (ii) all amounts attributable to Class 4 Creditors that opt to be treated as a Class 4A Convenience Claim, (iii) any reduction in the amounts claimed by Class 4 Creditors that the Debtor and/or the Reorganized Debtor accomplished without assistance from the Estate Representative.

b. The Final Claims Pool. The Final Claims Pool consists of all Allowed Class 4 Claims on account of which shall receive a distribution from the Class 4 Settlement Fund.

2.2.2. Calculation of the Success Fee. The Success Fee shall be calculated by multiplying the Additional Funds by 7.1% (the "Increased Dividend") and then multiplying the Increased Dividend by 10%.

3. Travel Time: The Estate Representative shall receive 50% of her hourly rate (\$87.50) as compensation for non-working travel time.

4. Expenses: The Estate Representative's reasonable out-of-pocket expenses shall be reimbursed from the unencumbered assets of the Class 4 Settlement Fund.

5. Retention of Debtor's Employees. Nothing herein shall preclude the Estate Representative from retaining any former employees of the Debtor to assist the Estate Representative in (i) analyzing, objecting to, or compromising claims, (ii) investigating, prosecuting, or compromising avoidance or other actions on behalf of the Debtor's estate or the Creditors' Fund, or (iii) otherwise assisting with the administration of the Class 4 Settlement Fund and resolving claims against the Debtor or its Estate. Such former employees of the debtor shall be compensated from the Creditors' Fund on such terms and conditions as the Estate Representative, subject to the approval of the Committee, and such former employees may agree.

6. Employment of Professionals. The Estate Representative may hire any professional that the Estate Representative, in her discretion, deems necessary. Professional fees shall be payable from the Class 4 Settlement Fund.

AGREED TO AND INTENDING TO BE
LEGALLY BOUND:

By: Tamie Barsky
Ms. Tamie Barsky

EXHIBIT G

NOTICE OF ENTRY OF CONFIRMATION ORDER

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
:

In re: : Chapter 11

:

BIRCH TELECOM, INC., : Case No. 05-12237 (PJW)

et al.,¹ :

: Jointly Administered

:

Debtors. :

:

-----X

NOTICE OF (A) ENTRY OF ORDER CONFIRMING THIRD AMENDED JOINT
REORGANIZATION PLAN OF BIRCH TELECOM, INC. AND ITS SUBSIDIARIES,
AND (B) BAR DATES FOR FILING ADMINISTRATIVE CLAIMS, PROFESSIONAL
FEE CLAIMS AND CONTRACT/LEASE REJECTION DAMAGES CLAIMS

PLEASE TAKE NOTICE that:

1. On March ____, 2006, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an Order Confirming the Third Amended Joint Reorganization Plan² of Birch Telecom, Inc. and Its Subsidiaries (the "Confirmation Order"). The Confirmation Order was duly docketed in the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware.

2. Copies of the Confirmation Order and Plan are available from the claims agent upon written request to Bankruptcy Services LLC, 757 Third Avenue, Third Floor, New York, NY 10017 (Attn: Tirzah Gordon), or by visiting <http://schedule.bsillc.com/birch>. The documents may also be examined by any party-in-interest between the hours of 9:00 A.M. and 4:30 P.M., Monday through Friday, at the Office of the Clerk of the United States Bankruptcy Court for the District of

¹ The Debtors are the following entities: Birch Telecom, Inc.; Birch Telecom 1996, Inc.; Ionex Communications, Inc.; Ionex Communications North, Inc.; Ionex Communications South, Inc.; Ionex Telecommunications Leasing Inc.; Telecom Resources, Inc.; Birch Equipment, Inc.; Birch Internet Services, Inc.; Birch Kansas Holdings, Inc.; Birch Management Corporation; Birch Telecom Finance, Inc.; Birch Telecom of Arkansas, Inc.; Birch Telecom of Kansas, Inc.; Birch Telecom of Missouri, Inc.; Birch Telecom of Nebraska, Inc.; Birch Telecom of Oklahoma, Inc.; Birch Texas Holdings, Inc.; Birch Telecom of the Great Lakes, Inc.; Birch Telecom of the South, Inc.; Birch Telecom of the West, Inc.; Capital Communications Corporation; Dunn & Associates, Inc.; I.S. Advertising, Inc.; Telesource Communications, Inc.; American Local Telecommunications L.L.C.; Birch Telecom of Texas Ltd., L.L.P.; G.B.S. Communications, Inc.; and M.B.S. Leasing, Inc.

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Third Amended Joint Reorganization Plan of Birch Telecom, Inc. and Its Subsidiaries (as may be amended, modified or supplemented, the "Plan").

Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. These documents are also available from the Bankruptcy Court's website at <http://www.deb.uscourts.gov> (a PACER account is required).

3. The Plan will become effective in accordance with its terms on the date on which all conditions to consummation of the Plan, as set forth in Article XI.B of the Plan, have been satisfied or waived (the "Consummation Date"). The Debtors shall file a notice of the occurrence of the Consummation Date with the Bankruptcy Court and mail a copy thereof to all parties on the 2002 service list maintained in these cases.

4. In accordance with Article XIV.C of the Plan, all Administrative Claims shall be filed with the Bankruptcy Court and served on (i) Birch Telecom, Inc., 2300 Main Street, Suite 600, Kansas City, MO 64108 (Attn: Gregory C. Lawhon); (ii) Skadden, Arps, Slate, Meagher & Flom LLP, One Rodney Square, P.O. Box 636, Wilmington, DE 19899 (Attn: Mark S. Chehi, Esq. and Marion M. Quirk, Esq.), counsel to the Debtors; (iii) the Office of the United States Trustee, 844 King Street, Suite 2313, Lockbox 35, Wilmington, DE 19801 (Attn: Mark S. Kenney, Esq.); (iv) Counsel for the Lenders, Sidley Austin Brown & Wood LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Lee S. Attanasio, Esq.) and Richards, Layton & Finger, PA, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899 (Attn: Mark D. Collins, Esq.); and (v) Counsel for the Official Committee of Unsecured Creditors, Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne, Esq.) and Reed Smith LLP, 435 Sixth Avenue, Pittsburgh, Pennsylvania 15219 (Attn: Robert P. Simons, Esq.) no later than sixty (60) days after the Consummation Date, unless otherwise ordered by the Bankruptcy Court (the "Administrative Claims Bar Date").

5. In accordance with Article XIV.B of the Plan, all final requests for compensation or reimbursement of costs and expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered to the Debtors or the Committee prior to the Consummation Date must be filed with the Bankruptcy Court and served on (i) Birch Telecom, Inc., 2300 Main Street, Suite 600, Kansas City, MO 64108 (Attn: Gregory C. Lawhon); (ii) Skadden, Arps, Slate, Meagher & Flom LLP, One Rodney Square, P.O. Box 636, Wilmington, DE 19899 (Attn: Mark S. Chehi, Esq. and Marion M. Quirk, Esq.), counsel to the Debtors; (iii) Counsel for the Lenders, Sidley Austin Brown & Wood LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Lee S. Attanasio, Esq.) and Richards, Layton & Finger, PA, One Rodney Square, P.O. Box 551, Wilmington, Delaware 19899 (Attn: Mark D. Collins, Esq.); (iv) Counsel for the Official Committee of Unsecured Creditors, Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kurt F. Gwynne, Esq.) and Reed Smith LLP, 435 Sixth Avenue, Pittsburgh, Pennsylvania 15219 (Attn: Robert P. Simons, Esq.); and (v) the Office of the United States Trustee, 844 King Street, Suite 2313, Lockbox 35, Wilmington, DE 19801 (Attn: Mark S. Kenney, Esq.) no later than sixty (60) days after the Consummation Date, unless otherwise ordered by the Bankruptcy Court. Holders of Professional Fee Claims who fail to timely file and serve a final request for payment shall be

forever barred from seeking payment of any such Professional Fee Claims from the Estates, the Debtors or the Reorganized Debtors.

6. In accordance with Article VIII.E of the Plan, if the rejection by a Debtor, pursuant to the Plan or otherwise, of an executory contract or unexpired lease gives rise to a Claim, a Proof of Claim must be served upon the appropriate Reorganized Debtor and its counsel and on the Class 4 Creditor Trust Trustee or Estate Representative, as applicable, within thirty (30) days after the later of service of (i) notice of entry of the Confirmation Order or (ii) other notice that the executory contract or unexpired lease has been rejected. Any Claims not served within such time periods will be forever barred from assertion against the respective Reorganized Debtor, its Estate and its property.

Dated: Wilmington, Delaware
_____, 2006

SKADDEN, ARPS, SLATE, MEAGHER &
FLOM LLP

SKADDEN, ARPS, SLATE, MEAGHER &
FLOM LLP

By:

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