

**Preston|Gates|Ellis &
Rouvelas|Meeds LLP**

MARTIN L. STERN
DIRECT DIAL: (202) 661-3700

RECEIVED

NOV 16 2005

November 16, 2005

Federal Communications Commission
Office of Secretary

VIA HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *PC Landing Corp. (Debtor-in-Possession), File No. SCL-ASG-20051025-00027*

Dear Ms. Dortch:

Enclosed for filing on behalf of PC Landing Corp., Debtor-in-Possession ("PC Landing Corp.") in the above-referenced docket, are an original and two (2) copies of the bankruptcy court's *Findings of Fact, Conclusions of Law, and Order Confirming Second Amended Joint Plan of Reorganization of PC Landing Corp., Pacific Crossing, Ltd., and Their Debtor Affiliates*, filed in *In re PC Landing Corp., et al.*, Chap. 11 Case No. 02-12086 (PJW) (Bankr. D. Del.). PC Landing Corp. also wishes to provide the additional information below in connection with its Application filed in this docket. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Application.

The name of New PCL Bermuda will be Pacific Crossing Limited ("New PCL"). Exhibit A to the Application indicates that New PCL will be the single 10% or greater shareholder of Reorganized PC Landing Corp. It has now been determined that upon emergence the shares of Reorganized PC Landing Corp. will be held through an intermediate United Kingdom holding company -- Pacific Crossing UK, Ltd. ("Reorganized PCUK"). Thus, upon emergence, the single 10% or greater shareholder of Reorganized PC Landing Corp. will be Reorganized PCUK, which will hold all of the outstanding shares of Reorganized PC Landing Corp. The single 10% or greater shareholder of Reorganized PCUK will be New PCL, which will hold 100% of the outstanding shares of Reorganized PCUK.¹ It is anticipated that shortly after emergence, New PCL will acquire 100% of the shares of Reorganized PC Landing Corp., and Reorganized PCUK will be dissolved.

¹ In addition, the shares of reorganized PCL Japan, Ltd., which will own the Japanese territory portions of PC-1, will likewise be held through Reorganized PCUK, and reorganized PCL Japan, Ltd. will thus be a wholly-owned indirect subsidiary of New PCL. See Application at 7.

Please date stamp the enclosed extra copy of this filing and return it to our courier in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

**PC LANDING CORP.
(DEBTOR-IN-POSSESSION)**

By: 

Martin E. Stern

Megan H. Troy

Preston Gates Ellis & Rouvelas Meeds LLP

1735 New York Avenue, N.W., Suite 500

Washington, D.C. 20006

(202) 628-1700

Attorneys for PC Landing Corp.

(Debtor-in-Possession)

Enclosure

cc: International Bureau/Policy Division Staff

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
PC LANDING CORP., et al.,¹) Case No. 02-12086 (PJW)
) (Jointly Administered)
Debtors.)

Related Docket No. 1577

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING
SECOND AMENDED JOINT PLAN OF REORGANIZATION OF PC LANDING
CORP., PACIFIC CROSSING, LTD., AND THEIR DEBTOR AFFILIATES**

The above captioned debtors and debtors in possession (jointly, the “Debtors”), having filed their respective voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) on July 19, 2002 (the “Petition Date”) commencing the above captioned jointly administered bankruptcy cases (the “Cases”); and the Debtors having filed with this Court on September 30, 2005, the *Second Amended Joint Plan of Reorganization of PC Landing Corp., Pacific Crossing, Ltd., and Their Debtor Affiliates* (Docket No. 1577), as further amended and attached hereto as Exhibit A (the “Plan”);² and the Debtors having filed with this Court on June 27, 2005 the *First Amended Disclosure Statement and Accompanying Joint Plan of Reorganization of PC Landing Corp., Pacific Crossing, Ltd., and Their Debtor Affiliates* (the “Disclosure Statement”) (Docket No. 1406); and the Disclosure Statement having been approved by the *Order (a) Approving*

¹ The Debtors are the following entities: PC Landing Corp., a Delaware corporation, Pacific Crossing, Ltd., a Bermuda company, Pacific Crossing UK, Ltd., a United Kingdom company, PCL Japan, Ltd., a Japan company, and SCS Bermuda, Ltd., a Bermuda company.

² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan or the Disclosure Statement, as the case may be.

Disclosure Statement; (b) Approving Voting Procedures with Respect to Debtors' Joint Plan of Reorganization; and (c) Scheduling Certain Dates in Connection Therewith (Docket No. 1417) (the "Disclosure Statement Order");³ and the Court having commenced a hearing to consider confirmation of the Plan on November 10, 2005 (the "Confirmation Hearing"); and the Court having considered the entire record adduced at the Confirmation Hearing, including without limitation, statements of counsel in support of and in opposition to confirmation at the Confirmation Hearing, all testimony presented and evidence admitted by affidavit or otherwise at the Confirmation Hearing, and this Court having taken judicial notice of the papers and pleadings on file in the above-captioned Cases; and all objections and responses to, and statements and comments regarding, the Plan, to the extent not already withdrawn or resolved pursuant to representations on the record at the Confirmation Hearing, shall be, and hereby are, overruled; and after due deliberation, this Court makes and issues findings of fact, conclusions of law and the order confirming the Plan, as follows:⁴

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY FOUND AND DETERMINED that:

A. On the Petition Date, the Debtors commenced the above-captioned Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Each of the

³ The Court entered the *Order (a) Approving Supplemental Disclosure of Plan Modifications and (b) Extending Voting Deadline and Confirmation Objection Date* (Docket No. 1566) (the "Supplement Order") which modified the Disclosure Statement Order. All references herein the Disclosure Statement Order, also refer to and include the Supplement Order.

⁴ This Confirmation Order constitutes this Court's findings of fact and conclusions of law under Federal Rule of Civil Procedure 52, as made applicable by Rules 7052 and 9014 of the Federal Rules of Bankruptcy Procedure. Any and all findings of fact shall constitute findings of 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. Paragraph headings or captions are inserted for convenience of reference only and are not intended to be part of or to affect the interpretation of this Confirmation Order.

Debtors was and is qualified to be a debtor under section 109 of the Bankruptcy Code. These Cases are jointly administered.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and 1334. Confirmation of the Plan and approval of the Plan Documents are core proceedings pursuant to 28 U.S.C. § 157(b)(2). Venue in the District of Delaware was proper on the Petition Date and continues to be proper under 28 U.S.C. §§ 1408 and 1409.

C. The Debtors, as proponents of the Plan, have met the burden of proving the elements of section 1129(a) of the Bankruptcy Code by a preponderance of the evidence.

D. In accordance with the Disclosure Statement Order, Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. ("PSZYJW") timely caused (a) the notice of the Confirmation Hearing, the Disclosure Statement and ballots to be mailed to all parties entitled to receive notice as set forth in the Disclosure Statement Order; and (b) the notice of the Confirmation Hearing to be mailed as provided in the Disclosure Statement Order and the Bankruptcy Rules, and no other and further notice is required to be published. PSZYJW also caused the *Disclosure Supplement in Connection with the Second Amended Joint Plan of Reorganization of PC Landing Corp., Pacific Crossing, Ltd., and Their Debtor Affiliated and Summary of Plan Modifications* (Docket No. 1578) to be served on all parties entitled to receive notice as set forth in the Supplement Order. All parties in interest had the opportunity to appear and be heard at the Confirmation Hearing.

E. The transmittal and service of the Plan and related materials were adequate and sufficient under the circumstances of these Cases. All parties required to be given notice of the Confirmation Hearing (including notice of the deadline for filing and serving

objections to confirmation of the Plan) have been given due, proper, timely and adequate notice in accordance with the Bankruptcy Rules and the Disclosure Statement and Disclosure Statement Order (as amended), and have had sufficient opportunity to appear and be heard with respect thereto. No other or further notice is required.

F. Votes to accept and reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement, and Disclosure Statement Order.

G. The Plan contemplates and is predicated upon the substantive consolidation of the Cases into a single proceeding for voting, Confirmation and distribution purposes. The substantive consolidation is not a merger or a transfer of assets from one Debtor to another.

H. All objections and responses to, and statements and comments regarding, the Plan, to the extent not already withdrawn or resolved pursuant to representations on the record at the Confirmation Hearing, shall be, and hereby are, overruled.

Compliance with Requirements of Section 1129 of the Bankruptcy Code.

I. 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 of the Bankruptcy Code. The Plan is dated and identifies the Debtors as proponents of such Plan. Pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, the Plan designates Classes of Claims and Interests, other than Administrative Claims and Tax Claims. As required by section 1122(a) of the Bankruptcy Code, each Class of Claims and

Interests contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. Pursuant to sections 1123(a)(2) and 1123(a)(3) of the Bankruptcy Code, Articles II and III of the Plan specifies all Claims and Interests that are not impaired and specifies the treatment of all Claims and Interests that are impaired. Article III of the Plan identifies Classes 1 (Priority Claims), 2 (Prepetition Lenders' Secured Claims), 3 (Other Secured Claims), 4 (General Unsecured Claims), 5 (Convenience Claims), 6 (Intercompany Claims), and 7 (Interests in all Debtors) as impaired under the Plan. Pursuant to 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. The classification scheme of Claims and Interests under the Plan is reasonable and valid business, factual and legal reasons exist for separately classifying the various Classes of Claims and Interests under the Plan. Pursuant to section 1123(a)(5) of the Bankruptcy Code, the Plan provides adequate means for the Plan's implementation, as set forth in Article VII of the Plan. The Plan adequately provides for its implementation by, among other things, (i) authorizing the Reorganized Debtors to enter into the Plan Documents, including, without limitation, the New Senior Secured Note and the New Shareholders Agreement, and to effect the transactions contemplated thereby, (ii) canceling certain prepetition debts and Interests in the Debtors and (iii) revesting the Debtors' assets in the Reorganized Debtors, subject to the liens granted under the New Senior Secured Note or otherwise permitted thereunder. The Debtors will have, immediately upon the effectiveness of the Plan, sufficient cash available to make all payments that are required to be made on the Effective Date pursuant to the terms of the Plan.

J. Section 1129(a)(2)-Compliance of the Debtors with Applicable Provisions of the Bankruptcy Code. As required by section 1129(a)(2) of the Bankruptcy Code, the Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code, including, without limitation, sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rules 3017, 3018 and 3019. In particular, the solicitation of votes to accept or reject the Plan was (i) in compliance with all applicable nonbankruptcy laws, rules, and regulations governing the adequacy of disclosure in connection with such solicitation and (ii) solicited after disclosure to holders of Claims or Interests of adequate information as defined in section 1125(a) of the Bankruptcy Code.

K. 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. The Plan itself, and the process leading to its formation, provide independent evidence of the Debtors' good faith. In determining that the Plan has been proposed in good faith, the Court has examined the totality of circumstances surrounding the filing and prosecution of the Cases and the formulation of the Plan. The Plan was proposed with the proper purpose of maximizing the value of the Debtors' estates by providing a means by which the Reorganized Debtors may emerge from chapter 11 as viable, operating entities and through which creditors may expeditiously receive distributions in respect of their Claims. The Plan is the product of extensive, arms' length negotiations, including, without limitation, among the Debtors, the Agent (as defined in the Plan) and the informal steering committee of Prepetition Lenders (as defined in the Plan) and their respective counsel and advisors in an effort to obtain a resolution of the issues in these Cases and propose a plan of reorganization that would provide the most value to the Debtors' creditors. The Plan

reflects the results of these negotiations and serves the interests of all of the Debtors' estates. The Debtors and their current directors, officers, agents, affiliates and professionals (acting in such capacity), the Agent, the informal committee of Prepetition Lenders, and their respective directors, officers, employees, agents, affiliated and Professionals (acting in such capacity) have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code in connection with all of their respective activities relating to the Plan, including, without limitation, with respect to the offer, issuance, sale or purchase of securities in connection with the Plan and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpatory and the injunctive provisions of Article XII of the Plan.

L. Section 1129(a)(4)-Bankruptcy Court Approval of Certain Payments as Reasonable. Pursuant to and to extent required under section 1129(a)(4) of the Bankruptcy Code, any payment made or promised by the Debtors or by any person acquiring property under the Plan, for services or for costs and expenses in, or in connection with, the Cases, or in connection with the Plan and incident to the Cases to the extent of services provided before the Confirmation Date, has been, or will be before payment, disclosed to this Court. Any such payment made before the Confirmation Hearing is reasonable. Any such payment to be fixed after the Confirmation Hearing is subject to the approval of this Court as reasonable.

M. 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, on October 14, 2005, the Debtors filed the *Notice of Filing of List of Officers and Directors* (Docket No. 1617) listing the proposed Board of Directors of each Reorganized Debtor and the

proposed management of each of the Reorganized Debtors and their proposed compensation.

The appointment or continuance in one of these offices by each such individual is consistent with the interests of creditors and equity security holders and with public policy.

N. Section 1129(a)(6)-Approval of Rate Changes. No governmental regulatory commission has jurisdiction over the rates of the Debtors. Section 1129(a)(6) is inapplicable to confirmation of the Plan.

O. Section 1129(a)(7)-Best Interests of Creditors and Equity Interest Holders. With respect to each Impaired Class of Claims or Interests of the Debtors, each Holder of a Claim or Equity Interest in such Class has accepted the Plan or will receive or retain under the Plan on account of such Claim or Equity Interest property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code.

P. Section 1129(a)(8)-Acceptance of the Plan by Each Impaired Class. Although the Debtors have not satisfied section 1129(a)(8) of the Bankruptcy Code because Class 3 (Other Secured Claims) did not vote, Class 5 (Convenience Claims) rejected the Plan and Class 6 (Intercompany Claims) and Class 7 (Interests in all Debtors) are conclusively presumed to have rejected the Plan, the Plan is nevertheless confirmable because it satisfies section 1129(b) of the Bankruptcy Code with respect to those Classes.

Q. 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 Administrative Claims and Tax Claims in the manner required by section 1129(a)(9) of the Bankruptcy Code.

R. Section 1129(a)(10)-Acceptance by at Least One Impaired Class. As required by section 1129(a)(10) of the Bankruptcy Code, at least one Class of Claims (specifically, Classes 2 (Prepetition Lenders' Claims) and 4 (General Unsecured Claims)) that is impaired under the Plan has accepted the Plan, excluding votes cast by insiders, if any.

S. Section 1129(a)(11)-Feasibility. The Plan meets the requirement of section 1129(a)(11) of the Bankruptcy Code and it is not likely to be followed by liquidation or the need for further financial reorganization. The Debtors have demonstrated that it is likely that the Reorganized Debtors will be able to perform their obligations under the Plan and continue to operate their business without further financial reorganization or liquidation. The Disclosure Statement and the evidence proffered, adduced or presented at the Confirmation Hearing are persuasive and credible and have not been controverted by other evidence and establish the Debtors' feasibility. The Reorganized Debtors will have sufficient funds to satisfy their obligations under the Plan and to fund the costs and expenses of the Distribution Agent in connection with such distributions, including without limitation, the fees and expenses, if any, of the Distribution Agent, in accordance with Section 9.2 of the Plan.

T. Section 1129(a)(12)-Payment of Bankruptcy Fees. In accordance with section 1129(a)(12) of the Bankruptcy Code, Sections 1.1.2 and 2.1 of the Plan provide for the payment of all fees payable under 28 U.S.C. § 1930 on or before the Effective Date. The Reorganized Debtors have adequate means to pay all such fees.

U. Section 1129(a)(13)-Retiree Benefits. The Debtors are not obligated to provide any retiree benefits, as such term is defined in section 1114 of the Bankruptcy Code. As

a result, no such benefits are required to be continued under the Plan, and the Plan accordingly satisfies section 1129(a)(13) of the Bankruptcy Code.

V. Section 1129(b) - Plan Does Not Unfairly Discriminate: All applicable requirements of section 1129(b) of the Bankruptcy Code have been met. Classes 1 (Priority Claims), 2 (Prepetition Lenders' Secured Claims), 3 (Other Secured Claims), 4 (General Unsecured Claims), and 5 (Convenience Claims) are not being paid in full on account of the Claims in such class. Classes 6 (Intercompany Claims), and 7 (Interests in all Debtors) are the only Classes junior to Classes 1 (Priority Claims), 2 (Prepetition Lenders' Secured Claims), 3 (Other Secured Claims), 4 (General Unsecured Claims), and 5 (Convenience Claims). Classes 6 (Intercompany Claims), and 7 (Interests in all Debtors) will not receive or retain any property under the Plan. Furthermore, the principal purpose of the Plan is not the avoidance of taxes or the avoidance of section 5 of the Securities Act of 1933 (15 U.S.C. § 77(e), as amended). Accordingly, the provisions of section 1129(d) of the Bankruptcy Code are met.

W. Section 1129(b)(1) and (2) – Cramdown: Class 3 (Other Secured Claims) did not vote on the Plan. Class 5 (Convenience Claims) voted to reject the Plan and Classes 6 (Intercompany Claims) and 7 (Interests in all Debtors) are deemed to reject the Plan. Based upon the evidence presented, adduced or proffered by the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly and is fair and equitable with respect to the holders of Other Secured Claims, Convenience Claims, Intercompany Claims or Interests in Classes 3, 5, 6, and 7, as required by section 1129(b)(1) and (2) of the Bankruptcy Code. Accordingly, the Plan is confirmable notwithstanding the Debtors' failure to satisfy section 1129(a)(8) of the Bankruptcy Code with respect to Classes 3 (Other Secured Claims), 5 (Convenience Claims), 6

(Intercompany Claims), and 7 (Interests in all Debtors), pursuant to section 1129(b)(1) of the Bankruptcy Code. Upon confirmation of the Plan and the occurrence of the Effective Date, the Plan shall be binding upon the holders of Other Secured Claims, Convenience Claims, Intercompany Claims or Interests in All Debtors in Classes 5 (Convenience Claims), 6 (Intercompany Claims), and 7 (Interests in all Debtors).

Technical Modifications of the Plan

1. The Plan Modifications Are Non-Material and Do Not Require Re-Solicitation of the Plan. The Plan attached hereto as Exhibit A has been modified to provide for clarifications and other non-material, technical changes pursuant to section 1127 of the Bankruptcy Code. All parties have received sufficient notice of the Confirmation Hearing and are hereby deemed to accept the Plan as modified. Section 15.1 of the Plan reserved for the Debtors the right to make such modifications to the Plan without re-solicitation. The modifications are non-material, do not adversely affect any parties in interest and do not warrant re-solicitation of the Plan by the Debtors.

Settlements

2. All settlements previously or concurrently approved by this Court are ratified. In addition, the Tyco Settlement and the U.S. Government Settlement are incorporated into the Plan and are approved. The terms of the Tyco Settlement and the U.S. Government Settlement are set forth in the definitive settlement agreements filed with the Court on November 4, 2005 (Docket No. 1657), and shall control in the event of any inconsistency with this Order or the Plan.

**ORDER CONFIRMING DEBTORS' AMENDED
JOINT CHAPTER 11 PLAN OF LIQUIDATION**

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND

DECREED that:

1. The Plan and each of its provisions shall be, and hereby are, **CONFIRMED** and approved in each and every respect pursuant to section 1129 of the Bankruptcy Code. The terms of the Plan are incorporated by reference into, and are an integral part of, this Confirmation Order. All objections and responses to, and statements and comments regarding, the Plan, to the extent not already withdrawn or resolved pursuant to representations on the record at the Confirmation Hearing, shall be, and hereby are, overruled.

Effects of Confirmation

2. On and after the Effective Date, the Plan and the Confirmation Order shall supersede any Bankruptcy Court orders issued prior to the Effective Date that are inconsistent therewith.

3. It is hereby **ORDERED** that the Plan is authorized and may be implemented in accordance with its terms.

4. It is hereby **ORDERED** that the Estates are substantively consolidated for purposes of voting confirmation and distribution purposes only.

5. Executory Contracts and Unexpired Leases. Subject to section 8.5 of the Plan, except as otherwise provided in the Plan or in any order of the Bankruptcy Court, on the Effective Date all executory contracts and unexpired leases of the Debtors which: (a) are not listed on the Schedule of Assumed Contracts, filed on October 14, 2005 (Docket No. 1618), as

amended and attached hereto as Exhibit B, and (b) are not the subject of a motion to assume pending as of the Confirmation Date, are **REJECTED**.

6. Governmental Authorizations and Related Agreements. As set forth in Article VII, 7.10 of the Plan on the Effective Date, certain of the Government Authorizations and Related Agreements will revert in the applicable Reorganized Debtor.

7. Claims for Rejection Damages. If the rejection of an executory contract or unexpired lease pursuant to section 8.4 of the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim, to the extent that it is timely filed and is a Secured Claim, shall be classified in Class 3, and to the extent that it is timely filed and is an Unsecured Claim, shall be classified in Class 4 or 5, as appropriate; provided, however, that in either event any Claim arising out of the rejection shall be forever barred and shall not be enforceable against the Debtors, Reorganized Debtors, their affiliates, their successors, estates, or their properties, unless a proof of claim is filed with the Bankruptcy Court and served on the Debtors or Reorganized Debtors within thirty (30) days after the earlier of (a) the date of entry of the first order of the Bankruptcy Court rejecting the executory contract or unexpired lease, or (b) the Effective Date. This provision does not apply to claims for rejection of contracts rejected by prior order of the Court. All assumed executory contracts and leases will be legal, valid and binding obligations of the applicable Reorganized Debtors and all non-Debtor parties thereto and shall be enforceable in accordance with the terms set forth therein.

8. Revesting of Assets. Except as otherwise expressly provided in the Plan or this Confirmation Order, on the Effective Date, without any further action, Reorganized Debtors will be vested with all of the property of the Debtors' Estates free and clear of all

Claims, Liens and Interests, and may operate their businesses and may use, acquire, or dispose of their assets free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court; provided that such property of the Debtors' Estates shall be subject to the Liens granted pursuant to the New Senior Secured Note and any Liens retained on account of Class 3 Secured Claims. Except as otherwise expressly provided in the Plan or this Confirmation Order, all Rights of Action are hereby preserved, retained for enforcement solely and exclusively by and at the discretion of the Reorganized Debtors.

9. Plan Documents. The Plan Documents, including, without limitation, the New Senior Secured Note and the New Shareholders Agreement, and the execution, delivery and performance of the Plan Documents are approved. The Reorganized Debtors are hereby authorized to execute and deliver and perform their obligations under the New Senior Secured Note and the New Shareholders Agreement and the other Plan Documents and all documents, exhibits, agreements, certificates and notes contemplated thereby, on or prior to the Effective Date without further approval by the board of directors or shareholders of the Debtors or any other Person. The Reorganized Debtors are hereby authorized to pay all fees and other amounts referred to in the New Senior Secured Note on the Effective Date without further notice to or consent from this Court or any other Person. The New Senior Secured Note, the New Shareholders Agreement and the other Plan Documents and all documents, exhibits, agreements, certificates and notes executed and delivered in connection therewith shall constitute legal, valid, binding and authorized obligations of the parties thereto, enforceable in accordance with their terms.

10. The Reorganized Debtors are hereby authorized to grant to the lenders under the New Senior Secured Note valid, binding and enforceable and perfected security interests in and liens upon all Collateral (as such term is defined in the New Senior Secured Note) to secure all of the obligations under or in connection with the New Senior Secured Note in accordance with the terms thereof. The consummation of the Plan and the execution, delivery and performance of the New Senior Secured Note, including, without limitation, the granting of the liens thereunder, and any other documents or instruments evidencing indebtedness required to be issued under the Plan shall not result in or constitute a fraudulent transfer under applicable federal or state laws and no federal or state statute shall limit the Reorganized Debtors' ability to incur debt or otherwise render all or any portion of the obligations under the New Senior Secured Note unenforceable as of the Effective Date.

11. The security interests and liens granted pursuant to the New Senior Secured Note (including, without limitation, pursuant to the collateral documents executed in connection therewith) shall constitute, as of the Effective Date, legal, valid and duly perfected first priority liens and security interests in and to the Collateral, subject only, where applicable, to the liens and security interests specified or permitted under the New Senior Secured Note and the Plan. On the Effective Date, all of the liens and security interests to be created under, or in connection with, the New Senior Secured Note shall be deemed created and shall be valid and perfected without any requirement of filing or recording of financing statements, mortgages or other evidence of such liens and security and without any approvals or consents from governmental entities or any other persons and regardless of whether or not there are any errors,

deficiencies or omissions in any property descriptions attached to any filing and no further act shall be required for perfection of such liens and security interests.

12. Preservation, Vesting, Exculpation, Releases, Injunction and Related Provisions. Upon the Effective Date, the injunction and the releases and exculpations as set forth in the Plan are hereby **GRANTED** and Article XII of the Plan is hereby approved. The exculpation, releases, and injunction provisions contained in the Plan are fair and equitable, are given for valuable consideration, are in the best interests of the Debtors, their Estates, and their creditors to the extent set forth therein, and shall be effective and binding upon all persons and entities.

13. Transfer to the Reorganized Debtors. It is hereby **DECREED** that, on the Effective Date, the transfers of assets by the Debtors contemplated by the Plan (i) are or will be legal, valid and effective transfers of property, (ii) vest or will vest in the transferee good title to such property free and clear of all Claims, Interests, and Liens, except those provided for in the Plan or the Confirmation Order, (iii) do not or will not constitute fraudulent conveyances under any applicable law, and (iv) do not and will not subject the Debtors, Reorganized Debtors, or property so transferred to any liability by reason of such transfer under applicable law or any theory of law including, without limitation, any theory of successor or transferee liability.

14. Discharge. The rights afforded under the Plan and the Confirmation Order and the treatment of Claims and Interests thereunder shall be in exchange for, and in complete satisfaction, discharge, and release of, all Claims and satisfaction or termination of all Interests, including any interest accrued on Claims from and after the Petition Date. Except as otherwise expressly provided in the Plan or this Confirmation Order, upon the occurrence of the Effective

Date, the Debtors shall be discharged, effective immediately, from any Claim and 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 reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, that arose from any agreement of the Debtors entered into or obligation of the Debtors incurred before the Confirmation Date, or from any conduct of the Debtors prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest accrued and expenses incurred, if any, on any such debts, whether such interest accrued or such expenses were incurred before or after the Petition Date, and including, without limitation, any liability of a kind specified in Bankruptcy Code section 502(g), 502(h) and 502(i), whether or not a proof of claim was filed or is deemed filed under Bankruptcy Code section 501, such Claim is allowed under Bankruptcy Code section 502 or the Person holding such Claim has accepted the Plan. The discharge granted hereunder shall void any judgment obtained against the Debtors or Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim.

15. Revesting. Except as otherwise expressly provided in the Plan or this Confirmation Order, on the Effective Date, without any further action, the Reorganized Debtors will be vested with all of the property of the Debtors' Estates free and clear of all Claims, Liens and Interests, and may operate their businesses and may use, acquire, or dispose of their assets free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court; provided that such property of the Debtors' Estates shall be subject to the Liens granted pursuant to the New Senior Secured Note and any Liens retained on account of Class 3 Secured Claims. Except

as otherwise expressly provided in the Plan or Confirmation Order, all Rights of Action are hereby preserved, retained for enforcement solely and exclusively by and at the discretion of the Reorganized Debtors.

16. Immediate Effectiveness; Successors and Assigns. The rights, duties and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such entity.

17. Corporate Action. The Debtors and the Reorganized Debtors are hereby **AUTHORIZED** to implement the Plan in accordance with its terms, including, without limitation, the execution and delivery of the agreements and instruments entered into pursuant to the Plan (including, without limitation, each of the Plan Documents). Upon the occurrence of the Effective Date: (i) all New Securities and Plan Documents are **AUTHORIZED** by all corporate action; and (ii) any liens and security interests granted by such documents are **VALID, BINDING, AND ENFORCEABLE**, subject to no prior liens, except as may be provided in such documents. On the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects (subject to the provisions of the Plan Documents), including, without limitation, the following: (a) the adoption and the filing of the New PCL Bermuda Charter with the Registrar of Companies for Bermuda for Registration; (b) the issuance of the ten million shares of the New Common Stock to Holders of Allowed Class 4 Claims; (c) the cancellation of all of the shares of the Existing PCL Stock; (d) the cancellation of intercompany notes and other instruments evidencing an Allowed Claim in Class 6; (e) the execution and the delivery of, and the performance under, each of the Plan Documents and all documents and agreements contemplated by or relating to any of the foregoing; and (f) the

removal of all members of the respective Board of Directors of the Debtors and the election of all members of the Board of Directors of each Reorganized Debtor designated pursuant to the Plan. All matters provided for under the Plan involving the corporate structure of the Debtors or Reorganized Debtors and any corporate action required by the Debtors or by Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect pursuant to the Bankruptcy Code, without any requirement of further action by the shareholders or the directors of the Debtors or Reorganized Debtors. On the Effective Date, the appropriate officers of Reorganized Debtors are authorized and directed to execute and to deliver the Plan Documents and any other agreements, documents and instruments contemplated by the Plan or the Plan Documents in the name and on behalf of Reorganized Debtors.

18. On the Effective Date, unless specifically provided for in the Plan or this Confirmation Order, all prepetition claims, liens and other encumbrances shall be released and cancelled without the need for further action by any Person, including the Debtors. This Confirmation Order shall be (a) effective as evidence of the release and cancellation of the security interests, liens and encumbrances released and cancelled pursuant to the terms of the Plan and (b) binding upon, and shall govern the acts of, all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrar of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons who may be required, by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any document or instrument, or who may be required to report or insure any title or state of title in or with respect to the assets of the Reorganized Debtors. Each and every federal, state and local

government agency is hereby directed to accept any and all documents and instruments necessary, useful or appropriate (including Uniform Commercial Code financing statements) to effectuate, implement and consummate the transactions contemplated by the Plan, this Confirmation Order and the Plan Documents without payment of any recording tax, stamp tax, transfer tax or similar tax imposed by state or local law.

19. Exemptions from Taxation and Securities Law. Pursuant to section 1146(c) of the Bankruptcy Code the making or delivery of an instrument of transfer under a plan, including issuance of the New Common Stock and the grant of liens and security interests described in the Plan, may not be taxed under any law imposing a stamp tax or similar tax. Pursuant thereto, entry of this Confirmation Order shall be a determination that no stamp tax, transfer tax, or similar tax may be imposed on any sale of property by the Debtors.

20. Pursuant to section 1145(a) of the Bankruptcy Code, the issuance and distribution by the Debtors, the Reorganized Debtors and the Disbursing Agents of the New Securities pursuant to the Plan shall be exempt from section 5 of the Securities Act and any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security. To the fullest extent permitted under section 1145 of the Bankruptcy Code, the resale of the New Securities shall be exempt from section 5 of the Securities Act and any state or local law requiring registration prior to the offering, issuance, sale or distribution of a security.

21. Distributions. The distribution provisions of the Plan shall be, and hereby are, **APPROVED**. The Distribution Agent(s) shall make all distributions required under the Plan.

22. Preservation of Bankruptcy Causes of Action. Except as otherwise expressly provided in the Plan, herein or in any other Final Order, the Debtors on behalf of themselves and the Reorganized Debtors exclusively reserve all rights to commence and pursue, as appropriate, any and all Rights of Action, whether arising prior to or after the Petition Date, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Cases. While the Debtors have attempted to identify in the Disclosure Statement the Rights of Action that may be pursued, the failure to list therein any potential or existing Right of Action generally or specifically is not intended to limit the rights of the Debtors or Reorganized Debtors to pursue any such action.

Unless a Right of Action against any Person is expressly waived, relinquished, released, compromised, or settled as provided or identified in the Plan or any Final Order, the Debtors on behalf of themselves and Reorganized Debtors expressly and exclusively reserve all Rights of Action for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches shall apply to such Rights of Action upon or after the confirmation or consummation of the Plan. In addition, the Debtors on behalf of themselves and Reorganized Debtors expressly and exclusively reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are defendants or interested parties against any Person.

23. Injunction. Unless otherwise provided in the Plan or this Confirmation Order, all injunctions and stays provided for in the Cases pursuant to Bankruptcy Code sections 105 and 362 or otherwise in effect on the Confirmation Date, shall remain in full force and effect

until the Effective Date, except for filings and actions taken prior to the Effective Date pursuant to the Plan Documents. From and after the Effective Date, all Persons are permanently enjoined from, and restrained against, commencing or continuing in any court any suit, action, or other proceeding, or otherwise asserting any claim or interest, seeking to hold (a) Reorganized Debtors, (b) the property of Reorganized Debtors, or (c) any of the Releasees, liable for any claim, obligation, right, interest, debt or liability that has been discharged or released pursuant to sections 11.1 or 12.1 of the Plan.

The satisfaction, release, and discharge granted pursuant to the Plan shall also act as an injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or cause of action satisfied, released, or discharged under the Plan to the fullest extent authorized or provided by the Bankruptcy Code, including, without limitation, to the extent provided for or authorized by sections 524 and 1141 thereof. Subject to the discharge granted under Bankruptcy Code sections 524 and 1141, the injunction described herein shall not preclude police, federal tax, or regulatory agencies from fulfilling their statutory duties to the extent permitted under section 362(b) of the Bankruptcy Code.

Retention of Jurisdiction

24. Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Cases and any of the proceedings related to the Cases pursuant to Bankruptcy Code section 1142 and 28 U.S.C. section 1334 to the fullest extent permitted by the Bankruptcy Code and other applicable law, including, without limitation, such jurisdiction as is necessary to ensure that the purpose and

intent of the Plan are carried out. Without limiting the generality of the foregoing, the Bankruptcy Court shall retain jurisdiction for the following purposes:

- a. to hear and determine any and all objections to the allowance, or requests for estimation, of Claims or the establishment of reserves pending the resolution of Disputed Claims;
- b. to consider and act on the compromise and settlement of any Claim against, or cause of action on behalf of, any Debtor or any Estate, if requested by the Reorganized Debtors;
- c. to hear and determine any disputes relating to the rejection or assumption of any executory contract or unexpired lease and to determine the allowance of any Claim resulting therefrom;
- d. to enter such orders, including any orders under Bankruptcy Code Sections 542 and 543, as may be necessary or appropriate in connection with the recovery of the Debtors' assets wherever located;
- e. to hear and determine any and all applications for allowance of compensation and reimbursement of expenses;
- f. to hear and determine any and all controversies, suits, and disputes arising under or in connection with the interpretation, implementation or enforcement of the Plan and any of the documents intended to implement the provisions of the Plan or any other matters to be resolved by the Bankruptcy Court under the terms of the Plan;
- g. to hear and determine any motions or contested matters involving Taxes, tax refunds, tax attributes, and tax benefits and similar and related matters with respect to any Debtor arising prior to the Effective Date or relating to the administration of the Cases, including, without limitation, matters involving foreign, federal, state, and local Taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;
- h. to hear and determine any and all applications, adversary proceedings and contested matters pending on the Effective Date or that may be commenced thereafter as provided in the Plan;
- i. to effectuate distributions under and performance of the provisions of the Plan;
- j. to hear and determine any applications to modify any provision of the Plan to the full extent permitted by the Bankruptcy Code;
- k. to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, the exhibits to the Plan, and annexes thereto, including any of the

Plan Documents, or any order of the Bankruptcy Court, including the Confirmation Order, as may be necessary to carry out the purposes and intent of the Plan;

- l. to determine such other matters as may be provided for in the Confirmation Order or as may from time to time be authorized under the provisions of the Bankruptcy Code or any other applicable law;
- m. to enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings issued or entered in connection with the Cases or the Plan;
- n. to enter such orders as may be necessary or appropriate in aid of confirmation and to facilitate implementation of the Plan, including, without limitation, any stay orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, revoked, modified, or vacated;
- o. to remand to state court any claim, cause of action, or proceeding involving any of the Debtors that was removed to federal court in whole or in part in reliance upon 28 U.S.C. section 1334;
- p. to determine any other matter not inconsistent with the Bankruptcy Code; and
- q. to issue a final decree closing the Cases.

Payment of Statutory Fees

25. On or prior to the Effective Date, the Debtors shall pay all fees payable pursuant to 28 U.S.C. § 1930. Any and all fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date shall be payable only on account of the Debtors.

Notice of Entry of Confirmation Order.

26. Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), the Debtors, may, but are not required, to serve a notice of the entry of this Confirmation Order on the United States Trustee and all holders of Claims or Interests to whom the notice of the Confirmation Hearing was sent. The Debtors, as applicable, shall be, and hereby are, directed to serve copies of this Confirmation Order on each party that has filed a notice of appearance in these Cases and

on each party who filed an objection or response to, or statement or comment regarding the Plan, no later than thirty (30) days after the Confirmation Date. No further notice of the entry of this Confirmation Order shall be required.

Bankruptcy Professionals Fees and Expenses

27. **Final Fee Applications.** Except to the extent that another Bar Date applies, pursuant to an order of the Bankruptcy Court, Professional Persons or other entities requesting compensation or reimbursement of expenses pursuant to Bankruptcy Code sections 327, 328, 330, 331, 503(b) and 1103 for services rendered prior to the Effective Date will file and serve on all parties entitled to notice thereof, an application for final allowance of compensation and reimbursement of expenses no later than sixty (60) days after the Effective Date in accordance with the various orders of the Bankruptcy Court establishing procedures for submission and review of such applications. All such requests for final allowance of compensation and reimbursement of expenses will be subject to authorization and approval of the Bankruptcy Court. Any objections to applications for final allowance of compensation and reimbursement of expenses of Professional Persons must be filed and served within twenty (20) days of service of the relevant fee application.

28. **Final Fee Hearing.** A hearing to consider the Applications so served and filed shall be held before the Court as soon as counsel may be heard, in the United States Bankruptcy Court for the District of Delaware, (the "Final Fee Hearing"), or on such adjourned date and time as may be announced at the Final Fee Hearing.

29. **Fee Application Requirements.** Each Application shall comply with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy

Rules, and orders of this Court, and shall set forth, among other things, in reasonable detail:

(a) the name and address of the applicant; (b) the nature of the professional or other services rendered and expenses for which reimbursement is requested for all periods from the date the particular applicant was retained through the Confirmation Date; (c) the amount of compensation and reimbursement of expenses requested; (d) whether any payments have been received on account and, if so, the amount or amounts thereof; and (e) the amounts of compensation and reimbursement of expenses previously allowed by the Court, if any.

30. Post-Confirmation Professional Fees. Fees and expenses for the professionals retained by the Debtors for services rendered and costs incurred after the Petition Date and prior to the Effective Date will be fixed by the Bankruptcy Court after notice and a hearing and such fees and expenses will be paid by Reorganized Parent (less deductions for any and all amounts thereof already paid to such Persons) within five (5) Business Days after a Final Order of the Bankruptcy Court approving such fees and expenses. From and after the Effective Date, the Debtors or Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of the Professional Persons thereafter incurred by the Debtors or Reorganized Debtors related to the implementation and consummation of the Plan and the prosecution of any objections to claims, litigation, or other rights of action reserved by the Debtors under the Plan.

31. Distributions. Subject to Bankruptcy Rule 9010, and except as provided in the Plan, distributions and deliveries to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court unless superceded by the address set forth on proofs of claim filed by such Holders, or at the last known

address of such a holder if no proof of claim is filed, or if the Debtors have been notified in writing of a change of address.

32. Settlement of Claims and Causes of Action. The U.S. Government Settlement Agreement and the Tyco Settlement Agreement are hereby **APPROVED**. Any settlements reached prior to the Effective Date shall be subject to Court approval. After the Effective Date, the Debtors and the Reorganized Debtors may, without Court approval, agree to settle or compromise with any other Person, subject to such person's consent or agreement, pursuant to the standards of Bankruptcy Rule 9019 (which standards, but not a requirement for Bankruptcy Court approval, shall be deemed to apply to all post-Confirmation settlements), any disputes or controversies between the Debtors and/or Reorganized Debtors, on the one hand, and such other person on the other hand.

33. Integration of Provisions. The provisions of this Confirmation Order are integrated with each other and are nonseverable and mutually dependent.

34. Order Effective Upon Entry. This Confirmation Order shall be effective and enforceable upon entry, and shall not be stayed, under Bankruptcy Rule 3020(e) or otherwise, unless otherwise expressly ordered by this Court.

IT IS SO ORDERED.

Dated: November 10 2005



Honorable Peter J. Walsh
United States Bankruptcy Judge

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
PC LANDING CORP., et al.,¹)
Debtors.) Case No. 02-12086 (PJW)
) (Jointly Administered)
)

**SECOND AMENDED JOINT PLAN OF REORGANIZATION OF PC LANDING CORP.,
PACIFIC CROSSING, LTD., AND THEIR DEBTOR AFFILIATES, AS MODIFIED**

PACIHLULSKI, STANG, ZIEHL, YOUNG,
JONES & WEINTRAUB P.C.
Laura Davis Jones (DE Bar No. 2436)
Debra Grassgreen (CA Bar No. 169978)
Rachel Lowy Werkheiser (DE Bar No. 3753)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Counsel for Debtors and Debtors in Possession

Dated: November 9, 2005

¹ The Debtors are the following entities: PC Landing Corp., a Delaware corporation; Pacific Crossing, Ltd., a Bermuda company; Pacific Crossing UK, Ltd., a United Kingdom company; PCL Japan, Ltd., a Japan company; and SCS Bermuda, Ltd.; a Bermuda company.

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	1
1.1 Definitions.....	1
1.1.1 “Administrative Agent”	1
1.1.2 “Administrative Claim”	1
1.1.3 “Administrative Claim Bar Date”	2
1.1.4 “Allowance Date”	2
1.1.5 “Allowed Amount”	2
1.1.6 “Allowed Claim”	5
1.1.7 “Allowed Interest”	5
1.1.8 Intentionally Omitted	5
1.1.9 Intentionally Omitted	5
1.1.10 Intentionally Omitted	5
1.1.11 Intentionally Omitted	5
1.1.12 Intentionally Omitted	5
1.1.13 “Avoidance Rights of Action”	5
1.1.14 “Bankruptcy Code”	5
1.1.15 “Bankruptcy Court”	5
1.1.16 “Bankruptcy Rules”	5
1.1.17 “Bermuda Court”	5
1.1.18 “Business Day”	6
1.1.19 “Cases”	6
1.1.20 “Cash”	6
1.1.21 “Cash Collateral Stipulation”	6
1.1.22 “Claim”	6

TABLE OF CONTENTS
(continued)

	Page
1.1.23 “Class”	6
1.1.24 “Confirmation Date”	6
1.1.25 “Confirmation Hearing”	6
1.1.26 “Confirmation Objection Date”	7
1.1.27 “Confirmation Order”	7
1.1.28 “Convenience Claim”	7
1.1.29 “Creditor”	7
1.1.30 “Debtor(s)”	7
1.1.31 “Deficiency Claim”	7
1.1.32 “Disclosure Statement”	8
1.1.33 “Disputed”	8
1.1.34 “Distribution Agent”	8
1.1.35 “Distribution Date”	8
1.1.36 “Effective Date”	8
1.1.37 “Estate”	9
1.1.38 “Existing PCL Common Stock”	9
1.1.39 “Existing PC Landing Common Stock”	9
1.1.40 “Existing PCL Japan Common Stock”	9
1.1.41 “Existing PCUK Common Stock”	9
1.1.42 “Existing SCS Common Stock”	10
1.1.43 “Existing Securities”	10
1.1.44 “Explanatory Statement”	10
1.1.45 “Fee Applications”	10
1.1.46 “Filed”	10
1.1.47 “Final Order”	11

TABLE OF CONTENTS
(continued)

	Page
1.1.48 "Governmental Authorizations and Related Agreements"	11
1.1.49 "Holder"	11
1.1.50 "Intercompany Claim"	12
1.1.51 "Interest"	12
1.1.52 "Lien"	12
1.1.53 "Makah Tribe"	12
1.1.54 "New Common Stock"	12
1.1.55 Intentionally Omitted	12
1.1.56 "New PCL Bermuda"	12
1.1.57 "New PCL Bermuda Charter"	12
1.1.58 Intentionally Omitted	12
1.1.59 Intentionally Omitted	12
1.1.60 Intentionally Omitted	13
1.1.61 "New Securities"	13
1.1.62 "New Senior Secured Note"	13
1.1.63 "New Shareholders Agreement"	14
1.1.64 "PC-1"	14
1.1.65 "PCL"	14
1.1.66 "PC Landing"	14
1.1.67 "PCL Japan"	14
1.1.68 "PCUK"	14
1.1.69 "Person"	14
1.1.70 "Petition Date"	14
1.1.71 "Plan"	15
1.1.72 "Plan Documents"	15

TABLE OF CONTENTS
(continued)

	Page
1.1.73 "Preferred Equity Interests"	15
1.1.74 "Prepetition Credit Agreement"	15
1.1.75 "Prepetition Credit Documents"	16
1.1.76 "Prepetition Lenders"	16
1.1.77 "Prepetition Lenders' Claim"	16
1.1.78 "Prepetition Lenders' Secured Claims"	16
1.1.79 "Prepetition Lenders' Deficiency Claim"	17
1.1.80 "Priority Claim"	17
1.1.81 "Pro Rata"	17
1.1.82 "Professional Person"	17
1.1.83 "Record Date"	17
1.1.84 Intentionally Omitted	17
1.1.85 "Remediation Work"	17
1.1.86 "Releases"	18
1.1.87 "Reorganized Debtor(s)"	18
1.1.88 "Reorganized Parent"	18
1.1.89 "Reorganized PC Landing"	18
1.1.90 "Reorganized PCL Japan"	18
1.1.91 "Reorganized PCUK"	18
1.1.92 "Reserved Cash"	18
1.1.93 "Rights of Action"	18
1.1.94 "Schedules"	19
1.1.95 "Schedule of Assumed Contracts"	19
1.1.96 "Schemes"	19
1.1.97 "SCS"	19

TABLE OF CONTENTS
(continued)

	Page
1.1.98 "Secured Claim"	19
1.1.99 "Tax"	20
1.1.100 "Tax Claim"	20
1.1.101 "Tyco"	20
1.1.102 "Tyco Claim"	20
1.1.103 "Tyco Claim Objection"	20
1.1.104 "Tyco Note"	20
1.1.105 "Tyco Settlement"	20
1.1.106 "Tyco Settlement Agreement"	21
1.1.107 "Tyco Title Action"	21
1.1.108 "U.S. Government Claims"	21
1.1.109 "U.S. Government Entities"	21
1.1.110 "U.S. Government Recommended Settlement"	22
1.1.111 "U.S. Government Settlement Agreement"	22
1.1.112 "Unclaimed Property"	22
1.1.113 "Unsecured Claims"	22
1.1.114 "Voting Deadline"	23
1.1.115 "Voting Procedures Order"	23
1.2 Other Terms	23
ARTICLE II ADMINISTRATIVE AND TAX CLAIMS	23
2.1 Administrative Claims	23
2.1.1 Tax Claims	24
ARTICLE III CLASSIFICATION OF CLAIMS AND INTERESTS	25
3.1 Class 1 – Priority Claims	25
3.2 Class 2 – Prepetition Lenders' Secured Claims	25

TABLE OF CONTENTS
(continued)

	Page
3.3 Class 3 – Other Secured Claims.....	25
3.4 Class 4 – General Unsecured Claims.....	25
3.5 Class 5 – Convenience Claims.....	25
3.6 Class 6 – Intercompany Claims	25
3.7 Class 7 –Equity Interests in all Debtors.....	25
ARTICLE IV IDENTIFICATION OF IMPAIRED CLAIMS AND INTERESTS	25
4.1 Impaired Classes of Claims and Interests	25
ARTICLE V TREATMENT OF CLAIMS AND INTERESTS	26
5.1 Class 1 – Priority Claims	26
5.2 Class 2 – Prepetition Lenders’ Secured Claims.....	26
5.3 Class 3 – Other Secured Claims.....	26
5.4 Class 4 – General Unsecured Claims.....	27
5.5 Class 5 – Convenience Claims.....	28
5.6 Class 6 – Intercompany Claims	28
5.7 Class 7 – Interests in All Debtors	28
ARTICLE VI ACCEPTANCE OR REJECTION OF PLAN.....	29
6.1 Classes Entitled to Vote.....	29
6.2 Nonconsensual Confirmation.....	29
ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN	29
7.1 Internal Reorganization.....	29
7.2 Sources of Funds.....	30
7.3 Substantive Consolidation for Plan Purposes Only	30
7.4 Procedure Related to Consolidation.....	32
7.5 Issuance of New Common Stock and the New Senior Secured Note.....	32
7.6 New PCL Bermuda Charter	33

TABLE OF CONTENTS
(continued)

	Page
7.7 Management/Board of Directors.....	34
7.8 Corporate Actions	35
7.9 Incorporation of Settlements.....	36
7.9.1 Tyco Settlement and U.S. Government Recommended Settlement	36
7.9.2 Other Settlements.....	37
7.10 Governmental Authorizations and Related Agreements.....	37
7.10.1 Treatment of Non-Executory Governmental Authorizations and Related Agreements that will Revest in Reorganized Debtors.....	37
7.10.2 Treatment of Governmental Authorizations and Related Agreements that are the Subject of Prior or Pending Motions	40
7.10.3 Governmental Authorizations and Related Agreements to Be Rejected.....	42
ARTICLE VIII EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....	42
8.1 Assumed Executory Contracts.....	42
8.2 Objections to Assumption of Executory Contracts and Unexpired Leases.....	43
8.3 Payment Related to Assumption of Executory Contracts and Unexpired Leases.....	45
8.4 Executory Contracts and Unexpired Leases to Be Rejected.....	45
8.5 Bar Date for Rejection Damages	46
ARTICLE IX DISTRIBUTIONS	46
9.1 Distributions to Distribution Agent	46
9.2 Distributions.....	47
9.2.1 Distribution Agent.	47
9.2.2 Conditions to Receiving Distributions.....	47
9.2.3 Subordination.....	48
9.2.4 Dates of Distributions.....	48
9.2.5 Manner of Distribution.....	49

TABLE OF CONTENTS
(continued)

	Page
9.3 Undeliverable Distributions.....	49
9.4 Cancellation of Liens	49
9.5 Fractional Securities and Rounding of Payments	50
9.6 Compliance With Tax Requirements.....	50
9.7 Distribution of Unclaimed Property.....	51
9.8 Setoff.....	51
ARTICLE X LITIGATION AND OBJECTIONS TO CLAIMS	52
10.1 Rights of Action.....	52
10.2 Objections to Claims and Other Rights of Action	52
10.3 Bar Date for Administrative Claims	52
10.4 Treatment of Disputed Claims.....	53
10.4.1 No Distribution Pending Allowance.....	53
10.4.2 Distribution After Allowance.....	54
10.4.3 Reserves for Disputed Claims.....	54
ARTICLE XI EFFECTS OF PLAN CONFIRMATION	54
11.1 Discharge	54
11.2 Revesting.....	56
11.3 Preservation of All Rights of Action	56
ARTICLE XII RELEASES, INJUNCTIONS AND EXCULPATION.....	57
12.1 Release of Releasees by Debtors.....	57
12.2 Injunctions and Stays.....	58
12.3 Exculpation.....	59
12.4 Indemnification Obligations.....	60
ARTICLE XIII CONDITIONS TO CONFIRMATION AND EFFECTIVENESS.....	61
13.1 Conditions Precedent to Plan Confirmation.....	61

TABLE OF CONTENTS
(continued)

	Page
13.2 Conditions Precedent to Plan Effectiveness	63
ARTICLE XIV RETENTION OF JURISDICTION	64
14.1 Retention of Jurisdiction	64
ARTICLE XV MODIFICATION OR WITHDRAWAL OF PLAN	66
15.1 Modification of Plan	67
15.2 Withdrawal of Plan	67
ARTICLE XVI MISCELLANEOUS	67
16.1 Payment Dates	67
16.2 Headings	67
16.3 Notices	67
16.4 Governing Law	68
16.5 Successors and Assigns	69
16.6 Severability of Plan Provisions	69
16.7 No Waiver	69
16.8 Payment of Postpetition Interest and Attorneys' Fees	69
16.9 Services by and Fees for Professionals and Certain Parties	70
16.10 Exemption From Securities Laws	70
16.11 Exemption From Certain Transfer Taxes	70
16.12 Inconsistencies	71

**SECOND AMENDED JOINT PLAN OF REORGANIZATION OF PC LANDING CORP.,
PACIFIC CROSSING, LTD., AND THEIR DEBTOR AFFILIATES, AS MODIFIED**

PC Landing Corp., Pacific Crossing, Ltd., Pacific Crossing UK, Ltd., PCL Japan, Ltd., and SCS Bermuda, Ltd., as debtors and debtors in possession in the above-captioned chapter 11 cases, hereby propose the following Second Amended Joint Plan of Reorganization pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. sections 101 *et seq.*, as amended:

ARTICLE I

DEFINITIONS

As used herein, the following terms shall have the respective meanings specified below. All capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Bankruptcy Code and in the Bankruptcy Rules.

1.1 Definitions

1.1.1 “**Administrative Agent**” means Deutsche Bank AG, New York Branch, in its capacity as administrative and collateral agent under the Prepetition Credit Documents.

1.1.2 “**Administrative Claim**” means any Claim for an administrative expense of the kind described in sections 503(b), 507(a)(1), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, the actual and necessary costs and expenses of preserving the Estates of the Debtors incurred after the commencement of the Cases, Allowed Claims for fees and expenses pursuant to sections 330 and 331 of the Bankruptcy Code, and fees, if any, due to the United States Trustee under 28 U.S.C. section 1930(a)(6).

1.1.3 “**Administrative Claim Bar Date**” means the last date or dates fixed by the Bankruptcy Court for filing proofs of certain Administrative Claims pursuant to Rule 3003(c)(3) of the Bankruptcy Rules and the Final Order or Orders issued thereunder.

1.1.4 “**Allowance Date**” means (a) if the Claim or Interest becomes an Allowed Claim or Allowed Interest pursuant to a Final Order, the date on which such order becomes a Final Order, (b) if the Claim becomes an Allowed Claim pursuant to an agreement, the date fixed in the agreement as the Allowance Date, and (c) if the Allowed Amount of the Claim or Interest is determined by the filing of a proof of claim or interest or the scheduling of same as to which the time for objection has passed with no objection having been timely filed, the first Business Day occurring after the applicable deadline for objections.

1.1.5 “**Allowed Amount**” means:

(a) with respect to any Administrative Claim (i) if the Claim is based upon a Fee Application, the amount of such Fee Application that has been approved by a Final Order of the Bankruptcy Court; (ii) if the Claim is based upon any post-petition indebtedness or obligation incurred in the ordinary course of business of the Debtors and is not otherwise subject to an Administrative Claim Bar Date, the amount of such Claim that has been agreed to by the Debtors and such Creditor, failing which, the amount thereof as fixed by a Final Order of the Bankruptcy Court; or (iii) if the Holder of such Claim was required to file and has filed proof thereof with the Bankruptcy Court prior to an Administrative Claim Bar Date: (1) the amount stated in such proof of claim if no objection to such proof of claim was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the

Bankruptcy Court, or (2) the amount thereof as fixed by Final Order of the Bankruptcy Court if an objection to such proof was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court;

(b) with respect to a Tax Claim, (i) if the Holder of such Claim did not file proof thereof with the Bankruptcy Court within the applicable period of time fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Bankruptcy Rules and a Final Order issued thereunder, the amount of such Claim as listed in the Debtors' Schedules as neither disputed, contingent nor unliquidated; or (ii) if the Holder of such Claim has filed proof thereof with the Bankruptcy Court within the applicable period of time fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Bankruptcy Rules and a Final Order issued thereunder, (1) the amount stated in such proof of claim if no objection to such proof of claim was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (2) the amount thereof as fixed by Final Order of the Bankruptcy Court if an objection to such proof was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court; provided that any such Claim allowed solely for the purpose of voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court shall not be deemed an "Allowed Amount" for purposes of distributions hereunder;

(c) with respect to any Priority Claim, Secured Claim or Unsecured Claim, (i) if the Holder of such Claim did not file proof thereof with the Bankruptcy Court within the applicable period of time fixed by the Bankruptcy Court pursuant to

Rule 3003(c)(3) of the Bankruptcy Rules and a Final Order issued thereunder, the amount of such Claim as listed in the Debtors' Schedules as neither disputed, contingent nor unliquidated; or (ii) if the Holder of such Claim has filed proof thereof with the Bankruptcy Court within the applicable period of time fixed by the Bankruptcy Court pursuant to Rule 3003(c)(3) of the Bankruptcy Rules and a Final Order issued thereunder, (1) the amount stated in such proof of claim if no objection to such proof of claim was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (2) the amount thereof as fixed by Final Order of the Bankruptcy Court if an objection to such proof was interposed within the applicable period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court; provided that any such Claim allowed solely for the purpose of voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court shall not be deemed an "Allowed Amount" for purposes of distributions hereunder;

(d) with respect to any Deficiency Claim, the amount thereof as fixed by Final Order of the Bankruptcy Court; and

(c) with respect to any Interest, (i) the amount provided by or established in the records of the Debtors at the Confirmation Date, provided, however, that a timely filed proof of Interest shall supersede any listing of such Interest in the records of the Debtors; or (ii) the amount stated in a proof of Interest Filed prior to the Confirmation Date if no objection to such Interest was filed prior to the Confirmation Date or such later date as the Bankruptcy Court allows; or (iii) the amount of such Interest as fixed by a Final Order of the Bankruptcy Court.

1.1.6 **“Allowed Claim”** means any Claim for which and to the extent an Allowed Amount has been determined.

1.1.7 **“Allowed Interest”** means any Interest for which and to the extent an Allowed Amount has been determined.

1.1.8 **Intentionally Omitted**

1.1.9 **Intentionally Omitted**

1.1.10 **Intentionally Omitted**

1.1.11 **Intentionally Omitted**

1.1.12 **Intentionally Omitted**

1.1.13 **“Avoidance Rights of Action”** means all Rights of Action arising under Bankruptcy Code sections 544-550 or any applicable state law.

1.1.14 **“Bankruptcy Code”** means the Bankruptcy Reform Act of 1978, as amended, as set forth in title 11 of the United States Code, 11 U.S.C. sections 101 *et seq.*, as now in effect or hereafter amended.

1.1.15 **“Bankruptcy Court”** means the United States Bankruptcy Court for the District of Delaware.

1.1.16 **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure promulgated pursuant to 28 U.S.C. section 2075, as now in effect or hereafter amended, together with the local rules and standing and administrative orders of the Bankruptcy Court.

1.1.17 **“Bermuda Court”** means the Supreme Court of Bermuda.

1.1.18 **“Business Day”** means any day, other than a Saturday, a Sunday or a “legal holiday,” as defined in Bankruptcy Rule 9006(a).

1.1.19 **“Cases”** means the chapter 11 cases commenced by the Debtors on the Petition Date and pending before the Bankruptcy Court.

1.1.20 **“Cash”** means currency of the United States of America and cash equivalents, including, but not limited to, bank deposits, immediately available or cleared checks, drafts, wire transfers and other similar forms of payment.

1.1.21 **“Cash Collateral Stipulation”** means the Third Amended and Restated Stipulation and Order with Respect to the Debtors’ Motion Seeking Authority to Use Cash Collateral and Provide Adequate Protection, as amended from time to time.

1.1.22 **“Claim”** means any claim against the Debtors or any of them within the meaning of section 101(5) of the Bankruptcy Code, whether or not asserted.

1.1.23 **“Class”** means each class of Claims or Interests established pursuant to section 3 of the Plan.

1.1.24 **“Confirmation Date”** means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

1.1.25 **“Confirmation Hearing”** means the date or dates established by the Bankruptcy Court for the hearing(s) on confirmation of the Plan pursuant to section 1128 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.1.26 **"Confirmation Objection Date"** means the deadline set by the Bankruptcy Court for submitting objections to Confirmation of the Plan.

1.1.27 **"Confirmation Order"** means the order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of chapter 11 of the Bankruptcy Code.

1.1.28 **"Convenience Claim"** means any Allowed Claim, other than an Intercompany Claim, equal to or less than \$50,000, or an Allowed Claim greater than \$50,000 where the Holder of such Allowed Claim opts to accept, in full and final satisfaction, a 1% Cash distribution on the lesser of the Allowed Amount of such Claim or \$50,000.

1.1.29 **"Creditor"** means any Person who is the Holder of a Claim against any Debtor that arose or accrued or is deemed to have arisen, accrued, matured, or otherwise become due, owing, and payable on or before the Effective Date, including, without limitation, Claims of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code.

1.1.30 **"Debtor(s)"** means, individually, PC Landing Corp., Pacific Crossing, Ltd., Pacific Crossing UK, Ltd., PCL Japan, Ltd., and SCS Bermuda, Ltd., as the case may be, and collectively, in their individual corporate capacity or other capacity and in their capacity as debtors and debtors in possession under chapter 11 of the Bankruptcy Code.

1.1.31 **"Deficiency Claim"** means any Unsecured Claim of a Holder equal to the amount, if any, by which the Allowed Amount of such Holder's Claim exceeds such Holder's Secured Claim.

1.1.32 **"Disclosure Statement"** means the First Amended Disclosure Statement (including all exhibits and schedules annexed thereto or referred to therein), filed on June 27, 2005, as amended, modified or supplemented from time to time, submitted and approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code in connection with the solicitation of acceptances of the Plan.

1.1.33 **"Disputed"** means, with respect to any Claim or Interest, any Claim or Interest: (a) as to which the Debtors or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules or is otherwise disputed by the Debtors in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order, or (b) unless otherwise indicated in the Plan, a Claim as to which the period within which to object to such Claim has not yet expired.

1.1.34 **"Distribution Agent"** means Reorganized Parent or such other Person selected pursuant to section 9.2.1 of the Plan to hold and distribute Cash and such other property as may be distributed pursuant to the Plan.

1.1.35 **"Distribution Date"** means the dates distributions are made to Holders of Allowed Claims under the Plan.

1.1.36 **"Effective Date"** shall mean the first Business Day after the conditions set forth in section 13.2 of the Plan have been satisfied or waived as provided in the Plan, provided that the Effective Date shall be no later than December 31, 2005.

1.1.37 “**Estate**” means each estate created pursuant to section 541 (a) of the Bankruptcy Code upon the commencement of each Case and shall be deemed to include, without limitation, any and all privileges of each Debtor and all interests in property, whether real, personal or mixed, rights, causes of action, avoidance powers or extensions of time that such Debtor or such estate shall have had effective as of the commencement of the Case, or which such estate acquired after the commencement of the Case, whether by sections 545, 546, 547, 548, 549 or 550 of the Bankruptcy Code or otherwise.

1.1.38 “**Existing PCL Common Stock**” means the shares of common stock of Pacific Crossing, Ltd. and other unexercised rights, if any, to acquire shares of Existing PCL Common Stock by way of option, warrant or other legal or contractual right, outstanding immediately prior to the Effective Date.

1.1.39 “**Existing PC Landing Common Stock**” means the shares of common stock of PC Landing Corp. and other unexercised rights, if any, to acquire shares of Existing PC Landing Common Stock by way of option, warrant or other legal or contractual right, outstanding immediately prior to the Effective Date.

1.1.40 “**Existing PCL Japan Common Stock**” means the shares of common stock of PCL Japan, Ltd. and other unexercised rights, if any, to acquire shares of Existing PCL Japan Common Stock by way of option, warrant or other legal or contractual right, outstanding immediately prior to the Effective Date.

1.1.41 “**Existing PCUK Common Stock**” means the shares of common stock of Pacific Crossing UK, Ltd. and other unexercised rights, if any, to acquire

shares of Existing PCUK Common Stock by way of option, warrant or other legal or contractual right, outstanding immediately prior to the Effective Date.

1.1.42 “**Existing SCS Common Stock**” means the shares of common stock of SCS Bermuda, Ltd. and other unexercised rights, if any, to acquire shares of Existing SCS Common Stock by way of option, warrant or other legal or contractual right, outstanding immediately prior to the Effective Date.

1.1.43 “**Existing Securities**” means, collectively, the Existing PCL Common Stock, the Existing PC Landing Common Stock, the Existing PCL Japan Common Stock, the Existing PCUK Common Stock, the Existing SCS Common Stock, the Preferred Equity Interests, if any, and with respect to each Debtor any other equity security or other interest evidencing an ownership interest in such Debtor and any option, warrant or right, contractual or otherwise, to acquire an ownership interest or equity interest in such Debtor.

1.1.44 “**Explanatory Statement**” means the Explanatory Statement to be filed in the Bermuda Court in connection with the Schemes for the Bermuda Debtors, PCL and SCS. The Explanatory Statement essentially provides an explanation of the Schemes and the treatment of Creditors of PCL and SCS under their respective Schemes.

1.1.45 “**Fee Applications**” means applications of Professional Persons under Bankruptcy Code sections 330, 331 or 503 for allowance of compensation and reimbursement of expenses in the Cases.

1.1.46 “**Filed**” means delivered to, received by and entered upon the legal docket by the Clerk of the Bankruptcy Court.

1.1.47 **“Final Order”** means a judgment, order, stipulation, ruling or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal which judgment, order, ruling or other decree has not been reversed, stayed, modified or amended and as to which (a) the time to appeal or petition for review, rehearing or certiorari has expired and as to which no appeal or petition for review, rehearing or certiorari is pending or (b) any appeal or petition for review, rehearing or certiorari has been finally decided and no further appeal or petition for review, rehearing or certiorari can be taken or granted. The Cash Collateral Stipulation shall be deemed a “Final Order”.

1.1.48 **“Governmental Authorizations and Related Agreements”** means the permits, licenses, easements, and other authorizations of local, state and federal governmental entities, and associated agreements, as amended and supplemented, which allow the Debtors to land, operate and maintain PC-1 in the United States, including certain State waters and the waters of the United States and terrestrial routes to the cable landing stations.

1.1.49 **“Holder”** means the record owner of any Claim or Interest, which, in the case of an investment company, shall be the investment company and not its shareholders, and which in the case of an insurance company, shall be the insurance company and not its insureds. The record holder shall be the entity identified as the record holder on the Debtors’ books and records as of the Allowance Date for such Claim or Interest unless otherwise agreed by the Debtors or determined pursuant to a Final Order.

1.1.50 **“Intercompany Claim”** means any Claim held by any Debtor against any other Debtor and shall include any Claims arising in contract, at law or in equity.

1.1.51 **“Interest”** means an equity security of any Debtor within the meaning of section 101(16) of the Bankruptcy Code and shall include the Existing Securities.

1.1.52 **“Lien”** has the meaning given in section 101(37) of the Bankruptcy Code.

1.1.53 **“Makah Tribe”** means the Makah Indian Tribe.

1.1.54 **“New Common Stock”** means the ten million shares of common stock, par value \$.01 per share, of New PCL Bermuda to be issued pursuant to the Plan and the New PCL Bermuda Charter.

1.1.55 **Intentionally Omitted**

1.1.56 **“New PCL Bermuda”** means the new Bermuda entity to be formed and incorporated under the laws of Bermuda on or before the Effective Date. New PCL Bermuda shall be the parent corporation of the Reorganized Debtors upon emerging from bankruptcy.

1.1.57 **“New PCL Bermuda Charter”** means the Memorandum of Association and Certificate of Incorporation of New PCL Bermuda, which shall, among other things, authorize the issuance of ten million shares of New Common Stock.

1.1.58 **Intentionally Omitted**

1.1.59 **Intentionally Omitted**

1.1.60 **Intentionally Omitted**

1.1.61 **"New Securities"** means any or all of the New Common Stock.

1.1.62 **"New Senior Secured Note"** means the new debt to be issued by the Reorganized Debtors,¹ as evidenced by the Credit Agreement among New PCL Bermuda, Deutsche Bank AG New York Branch, as administrative agent and collateral agent, Deutsche Bank Securities Inc., as sole lead arranger, and each of the lenders listed thereunder, on the Effective Date in the aggregate principal amount of \$25 million, with a stated maturity date of the fifth anniversary of the Effective Date and bearing interest at the rate per annum of 7% (such interest to be paid quarterly in cash to the extent available (as reasonably determined by the Reorganized Debtors) and otherwise such interest shall be paid in kind by adding it to the outstanding principal balance). Subject to any lien retained by the Holder of a Class 3 Secured Claim, the New Senior Secured Note shall be secured by a first priority Lien on and security interest in substantially all of the Reorganized Debtors's assets, including, without limitation, 100% of the equity interests of the Reorganized Debtors (other than the Reorganized Parent); provided, however that pursuant to the terms of the Tyco Settlement, the Tyco Note, if delivered, shall be *pari passu* with the New Senior Secured Note with respect to the proceeds of a sale of substantially all of the assets of the New PCL Bermuda or the liquidation of substantially all of the assets of New PCL Bermuda after completion of the Remediation Work. The New Senior Secured Note shall include such indentures or term loan agreements, collateral documents and/or

¹ See section 7.5 hereof.

other documents, agreements and instruments as may be reasonably requested by the Prepetition Lenders and all of which shall be incorporated into the definition of "New Senior Secured Note".

1.1.63 "**New Shareholders Agreement**" means the Shareholder Rights Agreement to be entered into as of the Effective Date by and among New PCL Bermuda and the holders of the New Common Stock of New PCL Bermuda.

1.1.64 "**PC-1**" means the 13,076 mile fiber optic cable system operated by the Debtors linking Japan and the United States and landing at Ajiguara and Shima in Japan and Harbour Pointe, Washington and Grover Beach, California in the United States.

1.1.65 "**PCL**" means Pacific Crossing, Ltd., a Bermuda company.

1.1.66 "**PC Landing**" means PC Landing Corp., a Delaware corporation.

1.1.67 "**PCL Japan**" means PCL Japan, Ltd., a Japan company.

1.1.68 "**PCUK**" means Pacific Crossing UK, Ltd., a United Kingdom company.

1.1.69 "**Person**" means any individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, governmental unit or other entity of whatever nature, and such term is not limited in definition to the meaning ascribed to such term in section 101(41) of the Bankruptcy Code.

1.1.70 "**Petition Date**" means July 19, 2002, the date on which each Debtor filed its petition for relief under chapter 11 of the Bankruptcy Code.

1.1.71 **"Plan"** means the Second Amended Joint Plan of Reorganization as set forth herein, together with any and all schedules and exhibits thereto and the Plan Documents, as the same may be amended or modified by the Debtors from time to time pursuant to the Plan, the Bankruptcy Code or the Bankruptcy Rules.

1.1.72 **"Plan Documents"** shall mean the New Senior Secured Note, the New Shareholders Agreement, the New PCL Bermuda Charter, the Schemes, the Explanatory Statement, and the documents necessary to implement the restructuring described in section 7.1 of the Plan, as applicable. Final or substantially final versions of the Plan Documents shall be filed with the clerk of the Bankruptcy Court as early as practicable but no later than: (i) five (5) calendar days prior to the Confirmation Hearing, (ii) such other date as expressly provided in the Plan, or (iii) such other date as the Bankruptcy Court may establish.

1.1.73 **"Preferred Equity Interests"** means the preferred stock, if any, of any of the Debtors.

1.1.74 **"Prepetition Credit Agreement"** means that certain Credit Agreement dated as of July 30, 1998, as amended, among PCL and the Prepetition Lenders, the lead agents of which are Deutsche Bank AG, New York Branch, CIBC Inc., and Goldman Sachs Credit Partners L.P., with Deutsche Bank AG, New York Branch, as Administrative Agent, Canadian Imperial Bank of Commerce, as the syndication agent, and Goldman Sachs Credit Partners L.P., as the documentation agent. The Prepetition Credit Agreement was amended through nine (9) separate amendments dated August 10, 1998 through December 2001.

1.1.75 "**Prepetition Credit Documents**" means the Prepetition Credit Agreement, the Amended Restated Securities Accounts, Disbursement and Control Agreement between certain of the Debtors and the Prepetition Lenders dated as of January 7, 2000, the U.S. Subsidiary Guaranty Agreement between PC Landing and the Prepetition Lenders, the Japan Subsidiary Guaranty Agreement between PCL Japan and the Prepetition Lenders, the U.K. Subsidiary Guaranty Agreement between PCUK and the Prepetition Lenders, any stock pledge agreements entered into by any of the Debtors with the Prepetition Lenders, and such ancillary security, guaranty and pledge agreements executed in connection therewith or contemplated thereby or acknowledged by the Debtors in the Cash Collateral Stipulation to comprise the documents that form a basis for the Prepetition Lenders' Claims.

1.1.76 "**Prepetition Lenders**" means the banks and other financial institutions that are parties from time to time to the Prepetition Credit Agreement, together with their successors and permitted assigns.

1.1.77 "**Prepetition Lenders' Claim**" means all Allowed Claims of the Prepetition Lenders arising under the Prepetition Credit Documents which are \$659 million. The Prepetition Lenders' Claims are Allowed Claims pursuant to the terms of the Cash Collateral Stipulation.

1.1.78 "**Prepetition Lenders' Secured Claims**" means that portion of the Prepetition Lenders' Claims equal to \$25 million.

1.1.79 **"Prepetition Lenders' Deficiency Claim"** means that portion of the Prepetition Lenders' Claim equal to \$634 million, which amount equals the Prepetition Lenders' Claim less the Prepetition Lenders' Secured Claims.

1.1.80 **"Priority Claim"** means any Claim, other than an Administrative Claim or a Tax Claim, to the extent entitled to priority under Bankruptcy Code section 507(a).

1.1.81 **"Pro Rata"** means proportionately, so that with respect to any distribution in respect of any Allowed Claim, the ratio of (a) (i) the amount of property distributed on account of such Allowed Claim to (ii) the amount of property distributed on account of all Allowed Claims of the Class or Classes sharing in such distribution is the same as the ratio of (b) (i) the amount of such Allowed Claim to (ii) the amount of all Allowed Claims in such Class or Classes.

1.1.82 **"Professional Person"** shall mean Persons retained or to be compensated pursuant to sections 326, 327, 328, 330, 503(b), or 1103 of the Bankruptcy Code.

1.1.83 **"Record Date"** means June 29, 2005, or such other date as is designated in the Confirmation Order.

1.1.84 **Intentionally Omitted**

1.1.85 **"Remediation Work"** means the work to be done by Tyco related to reburial of a portion of PC-1 as set forth in the "Remediation Protocol" described and defined in the Tyco Settlement and the U.S. Government Entity Settlement.

1.1.86 “**Releasees**” shall have the meaning set forth in section 12.1 hereof.

1.1.87 “**Reorganized Debtor(s)**” means, individually, New PCL Bermuda, Reorganized PC Landing, Reorganized PCL Japan, and Reorganized PCUK, as the case may be, and collectively, in their individual corporate capacity or other capacity, means, New PCL Bermuda, Reorganized PC Landing, Reorganized PCL Japan, and Reorganized PCUK.

1.1.88 “**Reorganized Parent**” means New PCL Bermuda on and after the Effective Date.

1.1.89 “**Reorganized PC Landing**” means PC Landing on and after the Effective Date.

1.1.90 “**Reorganized PCL Japan**” means PCL Japan on and after the Effective Date.

1.1.91 “**Reorganized PCUK**” means PCUK on and after the Effective Date.

1.1.92 “**Reserved Cash**” means Cash in an amount sufficient to pay or reserve for payment of all Cash distributions required under the Plan.

1.1.93 “**Rights of Action**” means any and all claims, demands, rights, defenses, actions, causes of action, suits, contracts, agreements, obligations, accounts, defenses, offsets, powers and privileges of any kind or character whatsoever, known or unknown, suspected or unsuspected, whether arising prior to, on or after the Petition Date, in

contract or in tort, at law or in equity, or under any other theory of law, held by any of the Debtors against any person or entity, including but not limited to: (i) rights of setoff, counterclaim, or recoupment, and claims on contracts or for breaches of duties imposed by law; (ii) the right to object to Claims, pursuant to section 362 of the Bankruptcy Code; (iii) such claims and defenses as fraud, mistake, duress and usury, and (iv) all Avoidance Rights of Action.

1.1.94 “**Schedules**” means the schedules filed by the Debtors with the Clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended from time to time.

1.1.95 “**Schedule of Assumed Contracts**” means the schedule of executory contracts to be assumed submitted in accordance with section 8.1 of the Plan.

1.1.96 “**Schemes**” means the Schemes of Arrangement for the Bermuda Debtors, PCL and SCS. The Schemes will be filed with the Bermuda Court and will effectively wind-up PCL and SCS, transferring their respective assets to New PCL Bermuda. Creditors of PCL and SCS shall be entitled to receive their Pro Rata Distribution under this Plan like any other Creditors.

1.1.97 “**SCS**” means SCS Bermuda, Ltd., a Bermuda company.

1.1.98 “**Secured Claim**” means any Claim of any Person that is secured by a Lien on property in which the Debtors have, or any of them or any Estate has, an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of such Person’s interest in the Debtors’, any Debtor’s or any Estate’s interest in the property, determined pursuant to section 506(a) of the Bankruptcy Code.

1.1.99 **“Tax”** means any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign taxing authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, ad valorem, estimated, severance, stamp, occupation and withholding tax. **“Tax”** shall include any interest or additions attributable to, imposed on or with respect to such assessments.

1.1.100 **“Tax Claim”** means any Claim for any Tax to the extent that it is entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

1.1.101 **“Tyco”** means Tyco Telecommunications (US) Inc., formerly known as TyCom (US) Inc., formerly known as Tyco Submarine Systems, Ltd., formerly known as AT&T Submarine Systems, Inc., a corporation of the State of Delaware.

1.1.102 **“Tyco Claim”** means the claim Tyco filed on or about May 5, 2003 and amended on or about May 30, 2003, in the amount of \$55,160,133.00.

1.1.103 **“Tyco Claim Objection”** means the *Objection to Claim and Counterclaims* filed by the Debtors objecting to the Tyco Claim.

1.1.104 **“Tyco Note”** means, if applicable, the promissory note to be issued by New PCL Bermuda in connection with the Remediation Work under the Tyco Settlement. The Tyco Note shall be in the principal amount of \$3.7 million or such other adjusted amount to equal the Reorganized Debtors’ share of the Remediation Work, payable at a maturity date of December 31, 2009 without interest.

1.1.105 **“Tyco Settlement”** means the settlement and compromise of the Tyco Claim Objection and the Tyco Title Action on the terms of conditions

set forth in a term sheet dated September 14, 2005. The Tyco Settlement is subject to approval of the Bankruptcy Court, and the execution and delivery of the Tyco Settlement Agreement. The Debtors filed a motion for authority to enter into the Tyco Settlement on September 16, 2005.

1.1.106 **“Tyco Settlement Agreement”** means the definitive settlement agreement between Tyco and the Debtors. The Tyco Settlement Agreement will be filed with the Bankruptcy Court no later than five (5) calendar days prior the Confirmation Hearing and shall be deemed incorporated into the Plan. The Confirmation Order shall constitute an order approving the final form of the Tyco Settlement Agreement.

1.1.107 **“Tyco Title Action”** means the adversary proceeding captioned Pacific Crossing Ltd., PC Landing Corp., and PCL Japan, v. Tyco Submarine Systems, Ltd., Tyco Telecommunications (US) Inc., and PAC Landing, Adv. Proc. 03-53433 (PJW).

1.1.108 **“U.S. Government Claims”** means, collectively, the regulatory obligations or claims asserted by the National Oceanic and Atmospheric Association, the U.S. Army Corps of Engineers and the U.S. Department of Commerce related to the installation, operation, and maintenance of PC-1 in and around the Olympic Coast National Marine Sanctuary and in the waters of California state and adjacent waters.

1.1.109 **“U.S. Government Entities”** means, collectively, the National Oceanic and Atmospheric Association, the U.S. Army Corps of Engineers and the U.S. Department of Commerce.

1.1.110 **“U.S. Government Recommended Settlement”**

means the settlement of the U.S. Government Claims recommended by counsel to the U.S. Government Entities, Debtors, the Makah Tribe, and Tyco, on the terms and conditions set forth in the “Agreement on Settlement Recommendation Relating to PC-1 Cable” dated September 16, 2005, which if approved by the U.S. Government Entities, the U.S. Department of Justice as counsel to the U.S. Government Entities, Debtors, the Makah Tribe and Tyco, shall result in a final settlement agreement resolving the U.S. Government Claims, on substantially the same terms as the U.S. Government Recommended Settlement. The Debtors filed a motion for approval of the U.S. Government Recommended Settlement and for authority to enter into the U.S. Government Settlement Agreement on September 19, 2005.

1.1.111 **“U.S. Government Settlement Agreement”**

means the final settlement agreement resulting from the respective parties’ approval of the U.S. Government Recommended Settlement which will be executed no later than November 4, 2005, and filed with the Bankruptcy Court no later than five (5) days prior the Confirmation Hearing and shall be deemed incorporated into the Plan. The Confirmation Order shall constitute an order approving the final form of the U.S. Government Settlement Agreement.

1.1.112 **“Unclaimed Property”** means all Cash and all

New Common Stock deemed to be “Unclaimed Property” pursuant to sections 9.3, 9.5 and 9.7 of the Plan.

1.1.113 **“Unsecured Claims”** means a Claim against any

Debtor other than (a) a Secured Claim, (b) the Prepetition Lenders’ Secured Claims, (c) an

Intercompany Claim, (d) a Priority Claim, (e) a Tax Claim or (f) an Administrative Claim; provided that the Prepetition Lenders' Deficiency Claim is an Allowed Unsecured Claim.

1.1.114 **“Voting Deadline”** means the date set by the Bankruptcy Court as the last date for timely submission by a Creditor of a ballot accepting or rejecting the Plan.

1.1.115 **“Voting Procedures Order”** means any order entered by the Bankruptcy Court scheduling the Confirmation Hearing, setting procedures for voting on the Plan and establishing other related deadlines and procedures.

1.2 **Other Terms**

Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, the feminine, and the neuter. The words “herein”, “hereof”, “hereto”, “hereunder”, and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. Any term used herein that is not defined and that is specifically defined in the Bankruptcy Code shall have the meaning ascribed to such term in the Bankruptcy Code, unless the context shall otherwise require.

ARTICLE II

ADMINISTRATIVE AND TAX CLAIMS

2.1 **Administrative Claims**

Administrative Claims for Professional Persons or other entities requesting

compensation or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code shall be paid in accordance with the provisions of section 10 of this Plan. In full satisfaction, settlement, release, and discharge, every other Administrative Claim that is an Allowed Claim shall be paid by Reorganized Parent in full in Cash to the Holder thereof on the later of (a) the Effective Date and (b) the Allowance Date of such Administrative Claim; provided, however, that (i) such claim may be treated on such less favorable terms as may be agreed to by such Holder, and (ii) Administrative Claims representing liabilities incurred by the Debtors in the ordinary course of their business during the Cases shall be paid by Reorganized Parent in accordance with the terms and conditions of the particular transactions and agreements relating thereto. All Administrative Claims for which a proof of claim is not filed by any applicable Administrative Claim Bar Date for the filing of such proofs of claims shall be deemed discharged.

2.1.1 Tax Claims

Each Holder of a Tax Claim that is an Allowed Claim shall be paid by the Reorganized Parent in full in Cash upon the later of (a) the Effective Date, (b) the Allowance Date for such Claim, (c) the date such a Tax Claim would be due and payable if the Chapter 11 Cases had not been commenced, or (d) on such other terms as have been or may be agreed to by the Holder of such Tax Claim and the Debtors or Reorganized Debtors (whichever may be applicable); provided, however, the Debtors may, at their option, defer payments to the extent permitted pursuant to section 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III

CLASSIFICATION OF CLAIMS AND INTERESTS

- 3.1 **Class 1 – Priority Claims.** Class 1 consists of all Priority Claims.
- 3.2 **Class 2 – Prepetition Lenders’ Secured Claims.** Class 2 consists of the Prepetition Lenders’ Secured Claims.
- 3.3 **Class 3 – Other Secured Claims.** Class 3 consists of all Secured Claims against any Debtor other than the Prepetition Lenders’ Secured Claims. The Debtors are only aware of one Class 3 Secured Claim -- the Claim of Snohomish County.
- 3.4 **Class 4 – General Unsecured Claims.** Class 4 consists of all Unsecured Claims, except the Intercompany Claims.
- 3.5 **Class 5 – Convenience Claims.** Class 5 consists of all Convenience Claims.
- 3.6 **Class 6 – Intercompany Claims.** Class 6 consists of all Intercompany Claims.
- 3.7 **Class 7 – Equity Interests in all Debtors.** Class 7 consists of all Interests in the Debtors, including any Preferred Equity Interests, including, without limitation, options, warrants, and other rights to acquire equity interests in any Debtor.

ARTICLE IV

IDENTIFICATION OF IMPAIRED CLAIMS AND INTERESTS

- 4.1 **Impaired Classes of Claims and Interests.** Classes 1, 2, 3, 4, 5, 6 and 7 are impaired under the Plan.

ARTICLE V

TREATMENT OF CLAIMS AND INTERESTS

Except as otherwise provided in the Plan and Confirmation Order, in full satisfaction, settlement, release and discharge of all of the Claims against or Interests in the Debtors:

5.1 **Class 1 – Priority Claims.** Each Allowed Claim in Class 1 shall be paid at the applicable Debtor's option, (a) in the full Allowed Amount of such Allowed Claim in Cash on the latest of (i) the Effective Date, (ii) the Allowance Date of such Claim or (iii) the date such Claim becomes payable according to its terms, or (b) on such other terms as may be agreed to by the Holder of such Claim so long as those terms are at least as favorable to the applicable Debtor as all other options in (a) above.

5.2 **Class 2 – Prepetition Lenders' Secured Claims.** On the Effective Date, on account of the Prepetition Lenders' Secured Claims, the Prepetition Lenders shall receive the New Senior Secured Note. The proceeds of any litigation settlements or judgments received after the Effective Date shall be used to prepay the New Senior Secured Note in accordance with the terms thereof.

5.3 **Class 3 – Other Secured Claims.** On the later of the Allowance Date for such Claim or the Effective Date, with respect to each Allowed Claim in Class 3, at the option of the Debtors (provided in writing to the Holder of an Allowed Class 3 Claim upon request of such Holder to the Debtors' counsel), (a) the Plan shall (i) not alter the legal, equitable, or contractual rights to which such Claim entitles the holder thereof or (ii) otherwise render such Claim

unimpaired pursuant to section 1124 of the Bankruptcy Code; or (b) the Debtors shall elect to distribute to the Holder of an Allowed Claim in Class 3 the property securing such Holder's Claim, in which event the Holder shall be entitled within thirty (30) days' notice of such election to file a proof of claim for any Deficiency Claim entitled to treatment in Class 4 or 5, or be forever barred from thereafter asserting a Deficiency Claim against the Debtors or Reorganized Debtors; or (c) the Person holding such Claim shall be accorded such other less favorable treatment with respect to such Claim as may be agreed to by such Person; or (d) for any Allowed Secured Claim that is a Secured Claim because of a valid right of setoff, the Holder of such Claim shall be permitted to offset such Claim against amounts due Reorganized Debtors; or (e) the Holder of the Allowed Class 3 Claim shall retain its Liens and the Debtors shall pay the Holder of the Allowed Class 3 Claim the balance of its Claim on the fifth anniversary of the Effective Date. In addition, to the extent available (as reasonably determined by the Reorganized Debtors) and otherwise such interest shall be paid in kind by adding it to the principal balance, the Debtors shall make quarterly cash payments of interest from the Effective Date at the rate of 7% per annum, for a period of five (5) years from the Effective Date.

5.4 **Class 4 – General Unsecured Claims.** On the later of the Allowance Date or the Effective Date, each Holder of an Allowed Claim in Class 4 shall receive its Pro Rata Share of the New Common Stock, less any New Common Stock that may be issued to managers and directors of the Reorganized Debtors as will be disclosed ten (10) days prior to the Confirmation Objection Deadline. As the Prepetition Lenders' Deficiency Claim is deemed an

Allowed Unsecured Claim, the Prepetition Lenders shall receive their Pro Rata of the New Common Stock on the Effective Date.

5.5 **Class 5 – Convenience Claims.** On the later of the Allowance Date or the Effective Date, each Holder of an Allowed Claim in Class 5 shall receive a 1% Cash distribution for the Allowed Amount of such Claim.

5.6 **Class 6 – Intercompany Claims.** Each Debtor holding an Allowed Claim in Class 6 shall not be entitled to, and shall not receive or retain any property or interest in property on account of such Class 6 Claim. Any Debtor holding an Intercompany Claim against another Debtor shall be deemed to have transferred such claim to the Debtor entity (or to the shareholder of the Debtor entity, if such shareholder is also a Debtor, and such shareholder shall be deemed to have transferred the claim to the Debtor entity) on the Effective Date, with such transfers being treated as capital contributions to such Debtor. With respect to Intercompany Claims against the Bermuda Debtors, the Scheme of each Bermuda Debtor shall provide for such transfers and treatment of such creditors.

5.7 **Class 7 – Interests in All Debtors.** On the Effective Date, each Person holding an Interest in Class 7 shall not be entitled to, and shall not receive or retain any property or interest in property on account of such Class 7 Interest. The Interests in the Bermuda Debtors will be addressed by the Schemes and/or any subsequent wind-up proceedings in the Bermuda court.

ARTICLE VI

ACCEPTANCE OR REJECTION OF PLAN

6.1 **Classes Entitled to Vote.** Classes 1, 2, 3, 4 and 5 shall be entitled to vote to accept or reject the Plan. Classes 6 and 7 are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code, and therefore shall not be entitled to vote to accept or reject the Plan and the votes of such Holders shall not be solicited.

6.2 **Nonconsensual Confirmation.** Because Classes 6 and 7 are deemed to have rejected the Plan, the Debtors will request the Bankruptcy Court to confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code. Without limitation of any of the foregoing, the Debtors reserve the right to amend the Plan in accordance with section 15.1 hereof.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

7.1 **Internal Reorganization.** PC Landing, PCL Japan and PCUK will each emerge from bankruptcy as a single corporate entity with an unleveraged capital structure. The assets of PCL and SCS shall be transferred to New PCI Bermuda pursuant to this Plan and the Schemes and the Creditors of PCL and SCS shall be treated as other Creditors pursuant to the Plan. The holders of equity interests in PCL and SCS will not receive any distributions under this Plan. PCL and SCS will be woundup pursuant to the Bermuda Companies Act 1981. As of the Effective Date, Reorganized Parent will operate the Reorganized Debtors' businesses as a parent corporation. On or after the Effective Date, the Reorganized Debtors shall be authorized

to undertake and implement the corporate restructuring described herein, including the execution of such other and further documents (such as the New Shareholders Agreement), as are necessary or appropriate to implement the Plan. To the extent necessary for business, regulatory, tax, or other corporate purposes and provided that it does not alter the obligations to Creditors or other parties in interest under this Plan or otherwise adversely impact any rights granted to any party under this Plan, the Debtors may create or dissolve one or more subsidiaries, or may modify the form and terms of corporate governance as necessary or appropriate in the business judgment of the Debtors. Reorganized Parent will be the entity under the Plan that is responsible for paying all Allowed Claims pursuant to the Plan. The responsibility of the Reorganized Parent to pay Allowed Administrative Claims, Allowed Tax Claims, and Allowed Priority Claims that were previously disputed shall be limited as set forth in sections 2.1, 2.1.1, 5.1, and 10.4.3 of this Plan. Plan Documents to implement the restructuring transaction will be filed with the Bankruptcy Court as necessary and as early as practicable but in no event later than five (5) calendar days before the Confirmation Objection Date.

7.2 **Sources of Funds.** The Reorganized Debtors will use their existing funds and cash from operations or any other sources to provide working capital for the operation of Reorganized Debtors, subject to the terms of the New Senior Secured Note. Post-Effective Date payments shall be made by Reorganized Parent or Reorganized Debtors from operating revenues or any other available sources.

7.3 **Substantive Consolidation for Plan Purposes Only.** The Plan contemplates and is predicated upon the substantive consolidation of the Cases into a single

proceeding for voting, Confirmation and distribution purposes. The substantive consolidation is not a merger or a transfer of assets from one Debtor to another. On the Effective Date: (a) all Intercompany Claims shall be eliminated and extinguished by the procedure identified in section 5.6 hereof; (b) all assets and liabilities of the Debtors' Estates shall be consolidated into a single estate only for the purposes of Confirmation and will not be consolidated after the Effective Date; (c) all cross-corporate guaranties made by the Debtors before the Effective Date shall be eliminated; (d) any obligation of any Debtor and all guaranties thereof executed by one or more of the Debtors shall be deemed to be a single obligation of the consolidated Debtors only for purposes of voting and distribution and not on or after the Effective Date; (e) any Claims filed or to be filed in connection with any such obligation and such guaranties referenced in subsection (d) hereof shall be deemed to be a single Claim against the consolidated Debtors only for purposes of voting and distribution and not on or after the Effective Date; (f) each and every Claim filed in the individual Case of any of the Debtors shall be deemed to be a single obligation of all of the Debtors only for purposes of voting and distribution and not on or after the Effective Date; and (g) all duplicative claims (identical in both amount and subject matter) filed against more than one of the Debtors shall be automatically expunged so that only one Claim survives against the Debtors (but in no way shall such surviving Claim be deemed Allowed by reason of this section). All Claims based upon guaranties of collection, payment, or performance made by the Debtors as to the obligations of another Debtor or of any other Person shall be discharged, released, and of no further force and effect; provided, however, that nothing herein shall affect the obligations of each of the Debtors hereunder. The substantive consolidation proposed herein

shall not affect the obligation of each and every Debtor to pay quarterly fees to the Office of the United States Trustee pursuant to 28 U.S.C. section 1930(a)(6) until such time as a particular case is closed dismissed or converted.

7.4 **Procedure Related to Consolidation.** Unless the Bankruptcy Court has ordered substantive consolidation of the Cases before the Confirmation Hearing, the Plan will serve as, and will be deemed to be, a motion for entry of an order substantively consolidating the Cases for Plan purposes only. If no objection to substantive consolidation is timely filed and served by any Holder of a Claim in a Class impaired by the Plan on or before the deadline for submitting objections to the Plan or such other date as may be established by the Bankruptcy Court, an order approving substantive consolidation for Plan purposes only (which may be the Confirmation Order) may be entered by the Bankruptcy Court. If any such objections are timely filed and served, a hearing with respect to the substantive consolidation of the Cases solely for purposes of confirmation, consummation and implementation and the objections thereto will be scheduled by the Bankruptcy Court, which hearing may, but is not required to, coincide with the Confirmation Hearing.

7.5 **Issuance of New Common Stock and the New Senior Secured Note.** New PCL Bermuda will be authorized and will issue on the Effective Date the New Common Stock and the New Senior Secured Note for distribution in accordance with the Plan, consistent with the Amended and Restated Parent Charter or other Plan Documents. All shares of New Common Stock issued pursuant to the Plan will be deemed upon such issuance, validly issued, fully paid and non-assessable. On the Effective Date, (i) the New Senior Secured Note and all

agreements, documents or instruments executed and delivered in connection therewith shall constitute legal, valid, binding, and authorized obligations of each Reorganized Debtor and shall be enforceable in accordance with their terms, and (ii) the Reorganized Debtors shall be unconditionally and irrevocably, jointly and severally liable for all obligations arising under or related to the New Senior Secured Note and all agreements, documents, or instruments executed and delivered in connection therewith; provided, however, that the New Senior Secured Note may provide for the exclusion or release of one or more of the subsidiaries of the Reorganized Parent, and in each case with respect to (i) and (ii) without any requirement of further action by the stockholders, other owners, or directors of the Debtors or the Reorganized Debtors.

The issuance of the New Securities and the New Senior Secured Note pursuant to the Plan shall be exempt from any securities laws registration requirements to the fullest extent permitted by section 1145 of the Bankruptcy Code, section 3(a)(7) of the Securities Act of 1933, and section 25(4)(d) of the Bermuda Companies Act 1981, as applicable.

7.6 **New PCL Bermuda Charter.** The Memorandum of Association of New PCL Bermuda (and, if appropriate, any such other Plan Documents) shall be filed with the Registrar of Companies for Bermuda for Registration, which documents shall prohibit the issuance of non-voting securities required by section 1123(a) of the Bankruptcy Code. The Certificate of Incorporation of New PCL Bermuda shall be issued by the Registrar of Companies. Each of the Reorganized Debtors shall, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all the powers of a corporation under the laws of the jurisdiction of its incorporation or organization and without prejudice to any right to

alter or terminate such existence (whether by merger or otherwise) under such applicable law. The Reorganized Debtors shall retain their assets as provided in the Plan, subject, to the Liens granted under the New Senior Secured Note and any Lien on account or a Class 3 Claim. New PCL Bermuda shall be vested with the assets of PCL and SCS pursuant to this Plan and the Schemes, which assets shall be subject to the Liens granted under the New Senior Secured Note.

7.7 **Management/Board of Directors.** In accordance with Bankruptcy Code section 1129(a)(5), the Debtors shall disclose no later than ten (10) calendar days before the Confirmation Objection Date: (a) the identity and affiliations of any individual proposed to serve, after the Effective Date, as a director or officer of each Reorganized Debtor; and (b) the identity of any "insider" (as such term is defined in section 101(31) of the Bankruptcy Code) who shall be employed and retained by any Reorganized Debtor and the nature of any compensation for such insider. The proposed Board of Directors of each Reorganized Debtor shall consist initially of the chief executive officer of Reorganized PC Landing and at least two (2) other members who shall be named and selected on or before ten (10) calendar days before the Confirmation Objection Date by the informal steering committee of the Prepetition Lenders after consultation with the Debtors and subject to applicable law. After the Effective Date, the Management and Board of Directors shall be appointed in accordance with the Reorganized Debtors' corporate governance documents and shareholder agreements, subject to applicable law. In compliance with section 130 of the Bermuda Companies Act 1981, New PCL Bermuda shall also have a secretary and a resident representative resident in Bermuda who shall be named and selected on or before the Confirmation Hearing by the informal steering committee of the

Prepetition Lenders after consultation with the Debtors and subject to applicable law. Further, Japanese law requires a Japanese citizen to serve as an additional board member for Reorganized PCL Japan.

7.8 **Corporate Actions**. On the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects (subject to the provisions of the Plan Documents), including, without limitation, the following: (a) the adoption and the filing of the New PCL Bermuda Charter with the Registrar of Companies for Bermuda for Registration; (b) intentionally omitted; (c) intentionally omitted; (d) the issuance of the ten million shares of the New Common Stock to Holders of Allowed Class 4 Claims; (e) the cancellation of all Preferred Equity Interests; (f) the cancellation of intercompany notes and other instruments evidencing an Allowed Claim in Class 6; (g) the execution and the delivery of, and the performance under, each of the Plan Documents and all documents and agreements contemplated by or relating to any of the foregoing; and (h) the removal of all members of the respective Board of Directors of the Debtors and the election of all members of the Board of Directors of each Reorganized Debtor designated pursuant to the Plan. All matters provided for under the Plan involving the corporate structure of the Debtors or Reorganized Debtors and any corporate action required by the Debtors or by Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect pursuant to the Bankruptcy Code, without any requirement of further action by the shareholders or the directors of the Debtors or Reorganized Debtors. On the Effective Date, the appropriate officers of Reorganized Debtors are authorized and directed to execute and to deliver the Plan Documents and any other agreements, documents

and instruments contemplated by the Plan or the Plan Documents in the name and on behalf of Reorganized Debtors.

7.9 **Incorporation of Settlements.**

7.9.1 **Tyco Settlement and U.S. Government Recommended**

Settlement. The Debtors have filed a motion for approval of the Tyco Settlement and the U.S. Government Recommended Settlement and for authority to enter into the Tyco Settlement Agreement and the U.S. Government Settlement Agreement. To the extent such motion is granted and the parties thereto conclude the respective agreements, the Tyco Settlement Agreement and the U.S. Government Settlement Agreement will be deemed incorporated herein. The Tyco Settlement and the U.S. Government Settlement are effective only upon the execution and delivery of the Tyco Settlement Agreement and the U.S. Government Settlement Agreement and Confirmation of this Plan. The Confirmation Order shall provide that the Reorganized Debtors are authorized to implement the terms of the Tyco Settlement and the U.S. Government Settlement in accordance with the terms of the Tyco Settlement Agreement and the U.S. Government Settlement Agreement. To the extent that there is any discrepancy between the Tyco Settlement Agreement, the U.S. Government Settlement and the Plan, the Settlement Agreements shall control. In the event that the Tyco and U.S. Government Settlement Agreements are not finalized, the Debtors may withdraw this Second Amended Plan and seek Confirmation of the First Amended Plan on a schedule to be set by subsequent order of the Bankruptcy Court.

7.9.2 Other Settlements. Throughout these Cases, the Debtors have resolved various disputes with vendors, affiliates, regulatory authorities, and others. Subject to the approval of the Bankruptcy Court, the Debtors have or will enter into settlement agreements reflecting those settlements. Any settlement approved by separate order of the Bankruptcy Court shall be deemed ratified by the Plan and the Confirmation Order and all rights and obligations of the Debtors thereunder shall be deemed rights and obligations of the Reorganized Debtors following the Effective Date.

7.10 Governmental Authorizations and Related Agreements. The Debtors have various "Governmental Authorizations and Related Agreements". Schedule 1 to the Disclosure Statement lists those Governmental Authorizations and Related Agreements that the Debtors believe are currently applicable to the operation of PC-1 and the Debtors' business.

7.10.1 Treatment of Non-Executory Governmental Authorizations and Related Agreements that will Revest in Reorganized Debtors.

Pursuant to the Plan, the following Governmental Authorizations and Related Agreements will revest in the applicable Reorganized Debtor:

- Federal Communications Commission, Cable Landing License issued to PC Landing Corp. (Debtor-in-Possession) (File No. SCL-98-006, DA 98-2351 (released November 23, 1998)).
- City of Mukilteo, Washington, Ordinance granting to PC Landing Corp. a non-exclusive franchise and revocable license to occupy certain real property and tidelands owned by the City (No. 995, dated September 27, 1999).
- City of Grover Beach, California, Ordinance granting to PC Landing Corp. a non-exclusive franchise to construct, maintain, and use cable, wires, conduits, and appurtenances necessary or proper for use as part of a

fiber optic telecommunications cable system, for any and all purposes under the public streets and places within the City of Grover Beach as specified (No. 99-04, dated August 16, 1999), subject to potential amendment to incorporate backhaul construction or cable landing station pursuant to encroachment permit issued by City of Grover Beach, dated December 21, 2004.

- City of Grover Beach, CA, Coastal Development Permit, Application No. 98-033 (May 24, 2000), Amendment to Coastal Development Permit, Application No. 98-033 (June 9, 2000).
- Type 1 Telecom License issued by the Ministry of Post and Telecommunication of Japan ("MPT"). This license was issued to GAL on April 27, 1998 and has no renewal requirement or expiration date.
- Landing License issued by the MPT to install a telecommunications system between Japan and a territory outside Japan under the Cable Telecommunications Act. This license was issued to GAL on April 30, 1998 and has no renewal or expiration date.
- Permit issued by the MPT to allow GAL to enter into operating agreements with the Debtors, as foreign entities. It was issued to GAL on April 28, 1999 and has no renewal or expiration date.
- Permit to Obtain and Hold Cable Telecommunication Systems Outside of the Territory of Japan issued by the MPT for the use and operation of PC-1. This permit is related to the Landing License but concerns use rather than the ownership or laying of the cable. It was issued to GAL on April 30, 1999 and has no renewal or expiration date.
- Permit from Tokyo Metropolitan Government, Miyake Branch Office, allowing PC-1 to pass through and occupy the sea area within the Miyake area, within the jurisdiction of the City of Tokyo, administered by Miyake Branch office. This permit was issued to GAL on March 6, 2000 and is valid through March 31, 2010.
- Permit from Ibaraki Prefecture Government, Fishery Development Department, allowing PC-1 to pass through and occupy the Isozaki Fishing Harbor. This permit will expire March 31, 2005. GAL has informed the Debtors that it is seeking to renew this permit for a period of three years, but that the Prefecture has required the consent of the Isozaka Fisherman Union, as an interested party.

- Permit from the Ibaraki Prefecture Government, Omiya Civil Engineering, allowing PC-1 to pass through and occupy the sea area at 2229-Nagisa, Ajigaua-cho.
- Permit from the Ibaraki Prefecture Government, Omiya Civil Engineering, allowing PC-1 to pass through and occupy Ajigaura Beach at 229-1 Nagisa, Ajigaura-cho.
- Permit from the Ibaraki Prefecture Government, Omiya Civil Engineering, covering changes to areas listed above.
- Permit from Shima Construction Department to allow PC-1 to pass through and occupy a Prefecture road in Ebata, Daimon, Kouka, Ago-cho.
- Permit from Shima Construction Department to allow PC-1 to pass through and occupy a passage bridge in Fukuoka, Kouka, Ago-cho.
- Permit from Shima Construction Department to allow PC-1 to pass through and occupy a water channel in Fukuoka, Kouka, Ago-cho.
- Permit from Shima Construction Department to allow PC-1 to pass through and occupy the Kou beach at 8-15 Ebata, Kouka, Ago-cho.
- Permit from Shima Construction Department to allow PC-1 to pass through and occupy the general sea area near Ebata, Kouka, Ago-cho.
- Permit from the Town of Ago-cho to allow PC-1 to pass through and occupy a town road.
- Ajiguara and Shima Fishing Agreements (as described in the Disclosure Statement).

Nothing in this Plan or the Confirmation Order shall be deemed a determination as to whether and to what extent obligations under the non-executory Governmental Authorizations and Related Agreements are dischargeable Claims. The Debtors reserve their right to bring an action in the Bankruptcy Court, or any other appropriate forum seeking a determination of nature of the obligations under the Governmental Authorizations and Related Agreements listed above.

Similarly, the non-debtor parties to the Governmental Authorizations and Related Agreements rights to object to the Bankruptcy Court's jurisdiction to hear and determine any dispute related to the nature of the obligations under the non-executory Governmental Authorizations and Related Agreements are expressly reserved. The Reorganized Debtors will comply with any notice and similar requirements contained in the Governmental Authorizations and Related Agreements related to the revesting of the Governmental Authorizations and Related Agreements in the Reorganized Debtors.

7.10.2 Treatment of Governmental Authorizations and Related

Agreements that are the Subject of Prior or Pending Motions. The following Governmental Authorizations and Related Agreements are the subject of separate agreements between Debtors and the respective parties, which have either been approved by the Bankruptcy Court, are or will shortly be pending before the Bankruptcy Court for approval. Nothing in the Plan shall modify the characterization of these Governmental Authorizations and Related Agreements or the obligations of either party under such agreements, or orders approving such agreements. Following the Effective Date, the Reorganized Debtors shall comply with the terms and conditions of these Governmental Authorizations and Related Agreements, as modified by the U.S. Government Settlement Agreement (if any), such agreements and associated orders.

- National Oceanic and Atmospheric Administration, Authorization/Special Use Permit to Conduct Activities in the Olympic Coast National Marine Sanctuary issued to Pacific Crossing Ltd. (No. OCNMS-01-99, dated November 24, 1999, as replaced and superseded by No. OCNMS-2005-013, dated November 4, 2005, and any modified or successor permit).
- U.S. Army Corps of Engineers, Permit to Tyco Submarine Systems authorizing work in connection with Harbour Pointe Landing (No. 1998-2-

02040, dated October 15, 1999, modified November 24, 1999 and November 4, 2005, and any modified or successor permit).

- U.S. Army Corps of Engineers, Nationwide Permit Authorization issued to PC Landing Corp. and PAC Landing Corp. to install, maintain, and repair PC-1 and PAC cables involving the Grover Beach Landing (No. 985050200-TW, dated July 20, 2000 and any modified or successor permit).
- PCL-Makah Tribe Agreement by and among Makah Tribe and PCL (to be dated October 2005 and any modified or successor agreement).
- Washington Department of Natural Resources, Aquatic Lands Easement granted to PC Landing Corp. (No. 51-070810, dated August 16, 2000); Memorandum of Settlement (dated May 15, 2003); Amendment of Aquatic Lands Easement No. 51-070810 (dated May 15, 2003).
- PC-1 Fishing Agreement with the Suquamish Tribe, by and among the Suquamish Tribe, Global Crossing Ltd., and PC Landing Corp. (dated August 23, 1999); Stipulation with Suquamish Tribe Regarding Suquamish Fishing Agreement (dated April 16, 2004).
- California State Lands Commission, Non-Exclusive Right-of-Way Use Lease to PC Landing Corp. (No. PRC 8152.1, Authorized April 20, 2000 and any amended or successor lease); Settlement Agreement dated as of August 26, 2005.
- California Coastal Commission, Coastal Development Permit granted to PC Landing Corp. and PAC Landing Corp. for installation, operation, and maintenance of fiber optic cables (No. E-98-027, dated July 18, 2000).
- California Department of Parks and Recreation, (i) Agreement and Grant of Easement with/to PC Landing Corp. and PAC Landing Corp., (ii) Temporary Use Permit with/to PC Landing Corp. and PAC Landing Corp. (all dated June 28, 2000).
- Joinder Agreement by and among PAC Landing Corp., PC Landing Corp., and Central California Joint Cable/Fisheries Liaison Committee, Inc. (dated as of September 16, 2003).

7.10.3 **Governmental Authorizations and Related**

Agreements to Be Rejected. To the extent that the following Governmental Authorizations and Related Agreements are executory contracts and are therefore subject to assumption or rejection under Article 8 of the Plan, the Debtors do not intend to include these Governmental Authorizations and Related Agreements in their list of executory contracts to be assumed pursuant to Section 8.1 of the Plan and therefore these Governmental Authorizations and Related Agreements shall be deemed rejected on the Effective Date:

- California Department of Parks and Recreation: Collateral Agreement to Easement with/to PC Landing Corp. and PAC Landing Corp.

ARTICLE VIII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 **Assumed Executory Contracts.** Subject to section 8.5 hereof, except as otherwise provided in this Plan or in any order of the Bankruptcy Court, on the Effective Date all executory contracts and unexpired leases of the Debtors which: (a) are not listed on the Schedule of Assumed Contracts, which Schedule is to be served on the affected parties and filed with the Bankruptcy Court by the Debtors at least ten (10) calendar days before the Confirmation Objection Date, and (b) are not the subject of a motion to assume as of the Confirmation Date, are rejected. The Debtors may amend the Schedule of Assumed Contracts at any time prior to the Confirmation Hearing by filing such amendment with the Bankruptcy Court and serving it on the parties directly affected by the amendment and any other parties entitled to notice in the Cases. To the extent the Bankruptcy Court, or any other court of competent jurisdiction, determines, either before, on, or after the Effective Date, that any agreement in the form of a

lease of real or personal property identified for assumption pursuant to this section 8 is, in fact, a secured transaction, the resulting secured indebtedness arising from such determination shall be treated in accordance with the applicable section of the Plan. Each executory contract and unexpired lease assumed pursuant to this section 8 by any Debtor shall revert in, be deemed assigned to, and be fully enforceable by the Reorganized Debtor or its successor or assignee in accordance with its terms, except as modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable federal law. To the extent that any of the contracts assumed pursuant to the Plan contain any options to purchase or otherwise acquire any interest in PC-1, the business or assets of the Reorganized Debtors, such provisions shall be deemed stricken and of no force and effect.

8.2 **Objections to Assumption of Executory Contracts and Unexpired Leases.**

(a) **Objection Procedure Generally.** Any party objecting to the Debtors' proposed assumption of an executory contract or unexpired lease based on a lack of adequate assurance of future performance or on any other ground including the adequacy of the "cure" amount set forth in the Schedule of Assumed Contracts, shall file and serve a written objection to the assumption of such contract or lease within the deadline and in the manner set forth in the notice accompanying the Schedule of Assumed Contracts. Failure to file an objection within the time period set forth in that notice shall constitute consent to the assumption and revestment of those contracts and leases, including an acknowledgment that the proposed assumption provides adequate assurance of future performance and that the applicable "cure"

amount set forth in the Schedule of Assumed Contracts is proper and sufficient for purposes of section 365 of the Bankruptcy Code.

(b) Objection Based on Grounds Other Than "Cure" Amount. If any party timely and properly files, pursuant to section 8.2(a) above, an objection to assumption based on any ground other than the adequacy of the applicable "cure" amount set forth in the Schedule of Assumed Contracts, and the Bankruptcy Court ultimately determines that the Debtors cannot assume the executory contract or lease or that the Debtors cannot provide adequate assurance of future performance as proposed or in any modified proposal submitted by the Debtors or Reorganized Debtors, then the unexpired lease or executory contract shall automatically thereupon be deemed to have been excluded from the Schedule of Assumed Contracts and shall be rejected pursuant to section 8.4 hereof.

(c) Objection Based on "Cure" Amount. If any party timely and properly files, pursuant to section 8.2(a) above, an objection to assumption based on the adequacy of the applicable "cure" amount set forth in the Schedule of Assumed Contracts, and such objection is not resolved between the Debtors and the objecting party, the Bankruptcy Court shall resolve such dispute at a hearing to be held at a date to be determined by the Bankruptcy Court. The resolution of such dispute shall not affect the Debtors' assumption of the executory contract or lease that is the subject of such dispute but rather shall affect only the "cure" amount the Debtors must pay in order to assume such contract or lease. Notwithstanding the immediately preceding sentence, if the Debtors in their discretion determine that the amount asserted to be the necessary "cure" amount would, if ordered by the Bankruptcy Court, make the

assumption of the executory contract or lease imprudent, then the Debtors may elect to (1) reject the executory contract or lease pursuant to section 8.4 hereof, or (2) request an expedited hearing on the resolution of the "cure" dispute, exclude assumption or rejection of the contract or lease from the scope of the Confirmation Order, and retain the right to reject the executory contract or lease pursuant to section 8.4 hereof pending the outcome of such dispute.

8.3 Payment Related to Assumption of Executory Contracts and Unexpired Leases. If not the subject of dispute pursuant to section 8.2 hereof as of the Confirmation Date, any monetary defaults under each executory contract and unexpired lease to be assumed under the Plan shall be satisfied by the Debtors, pursuant to section 365(b) of the Bankruptcy Code: (i) by payment of (1) the applicable "cure" amount set forth in the Schedule of Assumed Contracts, (2) such other amount as ordered by the Bankruptcy Court, or (3) such other amount as agreed upon by the Debtors, in Cash within thirty (30) days following the Effective Date; or (ii) on such other terms as agreed to by the parties to such executory contract or unexpired lease. In the event of a dispute pursuant to section 8.2, payment of the amount otherwise payable hereunder shall be made following entry of a Final Order or agreement by the Debtors or Reorganized Debtors, as the case may be.

8.4 Executory Contracts and Unexpired Leases to Be Rejected. On the Effective Date, the executory contracts and unexpired leases not listed on the Schedule of Assumed Contracts shall be rejected as of the Effective Date. The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejections on the Confirmation Date, pursuant to section 365 of the Bankruptcy Code, effective as of the Effective Date. Any party to

an executory contract or unexpired lease subject to rejection as provided herein may file with the Bankruptcy Court and serve on the Debtors an objection to such rejection; *provided, however*, failure to file any such objection prior to the Confirmation Hearing shall constitute an agreement to the rejection.

8.5 **Bar Date for Rejection Damages.** If the rejection of an executory contract or unexpired lease pursuant to section 8.4 above gives rise to a Claim by the other party or parties to such contract or lease, such Claim, to the extent that it is timely filed and is a Secured Claim, shall be classified in Class 3, and to the extent that it is timely filed and is an Unsecured Claim, shall be classified in Class 4 or 5, as appropriate; provided, however, that in either event any Claim arising out of the rejection shall be forever barred and shall not be enforceable against the Debtors, Reorganized Debtors, their affiliates, their successors, estates, or their properties, unless a proof of claim is filed with the Bankruptcy Court and served on the Debtors or Reorganized Debtors within thirty (30) days after the earlier of (a) the date of entry of the first order of the Bankruptcy Court rejecting the executory contract or unexpired lease, or (b) the Effective Date.

ARTICLE IX

DISTRIBUTIONS

9.1 **Distributions to Distribution Agent.** On the Effective Date, Reorganized Parent shall transmit or cause to be transmitted to the Distribution Agent sufficient Cash and New Common Stock to make the distributions to the Holders of Allowed Claims required by the Plan to be made on the Effective Date.

9.2 **Distributions.**

9.2.1 **Distribution Agent.** The Distribution Agent shall be responsible for making all of the distributions required to be made by Reorganized Parent under the Plan. All costs and expenses in connection with such distributions, including, without limitation, the fees and expenses, if any, of the Distribution Agent (or other Person as the case may be), shall be borne by Reorganized Parent.

Reorganized Parent may select such other Person to act as Distribution Agent for a particular Class and subject to such Person's consent, the term "Distribution Agent" shall incorporate such Person and grant such Person the rights, benefits and privileges set forth herein without further order of the Bankruptcy Court. The Administrative Agent will be the Distribution Agent for the Prepetition Lenders. The Distribution Agent shall have the right to employ one or more sub-agents on such terms and conditions as the Distribution Agent and such sub-agent(s) shall agree, subject to approval of Reorganized Parent, which approval shall not be unreasonably withheld.

The Distribution Agent shall not be required to provide any bond in connection with the making of any distributions pursuant to the Plan.

9.2.2 **Conditions to Receiving Distributions.** As a condition to receiving any distribution under this Plan, each Holder of an Allowed Claim shall have executed and delivered such agreements, documents and instruments as may be reasonably required by the Distribution Agent, including, without limitation, the execution and delivery of the applicable Plan Documents and any withholding forms. Any Holder of an Allowed Claim that fails to

execute and deliver such agreements, documents and instruments, including, without limitation, the Plan Documents and any withholding forms, or fails to take such action as may be reasonably requested by the Distribution Agent before the first anniversary of the Effective Date may not participate in any distribution under this Plan with respect to such Allowed Claim. Any distribution forfeited hereunder shall be ratably reallocated among complying Holders of the applicable Class.

9.2.3 Subordination. Pursuant to section 510(a) of the Bankruptcy Code, nothing herein shall be deemed to limit any subordination agreement or intercreditor agreement that is otherwise enforceable under applicable nonbankruptcy law. Accordingly, distributions hereunder will be made subject to any enforceable subordination agreement or intercreditor agreement known to the Debtors. Creditors that are parties to any such enforceable subordination or intercreditor agreements shall notify the Debtors of their existence in advance of the Effective Date and shall provide the Debtors with copies of such agreements, or identify such agreements if they are already in the Debtors' possession. Failure to do so shall be deemed a waiver of such rights.

9.2.4 Dates of Distributions. The Distribution Agent shall make each required distribution by the date stated in the Plan with respect to such distribution. Any distribution required to be made on the Effective Date shall be made on such date. Any distribution required to be made on the date on which a Claim becomes an Allowed Claim shall be deemed to be made on such date if made on the nearest Distribution Date occurring after such date.

9.2.5 **Manner of Distribution.** At the option of the Distribution Agent, monetary distributions may be made in Cash, by wire transfer or by a check drawn on a domestic bank. Distribution of New Securities shall be made by the issuance and delivery of such securities.

9.3 **Undeliverable Distributions.** If a distribution is returned to the Distribution Agent as undeliverable, the Distribution Agent shall hold such distribution and shall not be required to take any further action with respect to the delivery of the distribution unless and until the Distribution Agent is notified in writing of the then current address of the Person entitled to receive the distribution. Unless and until the Distribution Agent is so notified, such distribution shall be deemed to be "Unclaimed Property" and shall be dealt with in accordance with section 9.7 of the Plan. The Distribution Agent shall not be entitled to vote any New Common Stock that the Distribution Agent holds as undeliverable.

9.4 **Cancellation of Liens.** Except as otherwise provided in the Plan, on the Effective Date, any Lien securing any Secured Claim, including the Prepetition Lenders' Claims, shall be deemed released, and the Person holding such Secured Claim shall be authorized and directed, at the expense of the Debtors or Reorganized Debtors, to release any collateral or other property of the Debtors (including, without limitation, any cash collateral) held by such Person and to take such actions, at the expense of the Debtors or Reorganized Debtors, as may be requested by Reorganized Debtors to evidence the release of such Lien, including, without limitation, the execution, delivery and filing or recording of such releases as may be requested by Reorganized Debtors at the sole expense of Reorganized Debtors.

9.5 **Fractional Securities and Rounding of Payments.** No fractional shares of New Common Stock shall be issued under the Plan, and each Person otherwise entitled to receive an amount of the New Common Stock that includes fractional amounts shall receive an amount of shares as shall reflect a rounding down of such fraction to the nearest whole share.

Whenever payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding down of such fraction to the nearest whole cent. To the extent Cash remains undistributed as a result of the rounding of such fraction to the nearest whole cent, such Cash shall be treated as "Unclaimed Property" under the Plan.

9.6 **Compliance With Tax Requirements.** Reorganized Parent shall comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities in connection with making distributions pursuant to the Plan.

In connection with each distribution with respect to which the filing of an information return (such as Internal Revenue Service Form 1099 or 1042) or withholding is required, Reorganized Parent shall file such information return with the Internal Revenue Service and provide any required statements in connection therewith to the recipients of such distribution, or effect any such withholding and deposit all moneys so withheld to the extent required by law. With respect to any Person from whom a tax identification number, certified tax identification number or other tax information required by law to avoid withholding has not been received by Reorganized Parent (or the Distribution Agent), Reorganized Parent may, at its sole option, withhold the amount required and distribute the balance to such Person or decline to

make such distribution until the information is received; provided, however, that Reorganized Parent shall not be obligated to liquidate New Common Stock to perform such withholding.

9.7 **Distribution of Unclaimed Property.** If any Person entitled to receive Cash or New Securities pursuant to the Plan does not present itself on the Effective Date or on such other date on which such Person becomes eligible for distribution of such Cash or New Common Stock, such Cash or New Common Stock shall be deemed to be "Unclaimed Property." Nothing contained in the Plan shall require Reorganized Parent or the Distribution Agent to attempt to locate such Person.

If such Person presents itself within one hundred eighty (180) days following the Distribution Date, the Unclaimed Property distributable to such Person, together with any interest or dividends earned thereon, shall be paid or distributed to such Person on the next Distribution Date. If such Person does not present itself within said period of one hundred eighty (180) days following the Distribution Date, any such Unclaimed Property and accrued interest or dividends earned thereon shall be forfeited and remitted to Reorganized Parent.

9.8 **Setoff.** The Distribution Agent may, but is not required to, set off against any Claim and the distribution to be made pursuant to the Plan in respect of such Claim, any claims of any nature that Debtor or Reorganized Debtors may have had against the holder of such Claim. Neither the failure by the Debtors or the Distribution Agent to effect such a setoff nor the allowance of any Claim shall constitute a waiver or a release of any claim that the Debtors or Reorganized Debtors may have against the Holder of a Claim.

ARTICLE X

LITIGATION AND OBJECTIONS TO CLAIMS

10.1 **Rights of Action.** All Avoidance Rights of Action, unless expressly waived, relinquished, compromised, or settled in this Plan or in a Final Order, are reserved and shall vest in the Reorganized Parent, which may pursue such Avoidance Rights of Action.

10.2 **Objections to Claims and Other Rights of Action.** Prior to the Effective Date, the Debtors shall pursue any objection to the allowance of any Claim and Rights of Action; provided, however, under the Bankruptcy Code, any party in interest may also object to Claims prior to the Effective Date. From and after the Effective Date, Reorganized Parent shall be responsible for pursuing any objection to the allowance of any Claim and Rights of Action, including Avoidance Rights of Action. The Reorganized Debtor may settle any such claim objection after the Effective Date without Bankruptcy Court approval. Unless another date is established by the Bankruptcy Court or the Plan, any objection to a Claim shall be filed with the Bankruptcy Court and served on the Person holding such Claim by ninety (90) days after the Effective Date. Reorganized Parent shall have the right to petition the Bankruptcy Court, without notice or a hearing, for an extension of such date if a complete review of all Claims cannot be completed by such date. Notwithstanding anything herein to the contrary, pursuant to the Cash Collateral Stipulation, the Prepetition Lenders' Claim is an Allowed Claim for all purposes hereof.

10.3 **Bar Date for Administrative Claims.** Requests for payment of Administrative Claims (other than (a) Claims relating to the assumption of executory contracts,

and (b) Claims for which a request has already been filed) must be filed and served on Debtors no later than sixty (60) days after the Effective Date; provided, however, Professional Persons or other entities requesting compensation or reimbursement of expenses pursuant to Bankruptcy Code sections 327, 328, 330, 331, 503(b) and 1103 for services rendered prior to the Effective Date will file and serve on all parties entitled to notice thereof, an application for final allowance of compensation and reimbursement of expenses no later than sixty (60) days after the Effective Date in accordance with the various orders of the Bankruptcy Court establishing procedures for submission and review of such applications. All such requests for payment of Administrative Claims and applications for final allowance of compensation and reimbursement of expenses will be subject to authorization and approval of the Bankruptcy Court. The Debtors or Reorganized PCL shall have ninety (90) days from the date an Administrative Claim, other than an administrative claim of a Professional Person, is served in accordance with the Plan to bring an objection to such Administrative Claim. Reorganized Parent shall have the right to petition the Bankruptcy Court, without notice or a hearing, for an extension of such date if a complete review of all Administrative Claims cannot be completed by such date. Any objections to applications for final allowance of compensation and reimbursement of expenses of Professional Persons must be filed and served within twenty (20) days of service of the relevant fee application.

10.4 **Treatment of Disputed Claims.**

10.4.1 **No Distribution Pending Allowance.** If any portion of a Claim is a Disputed Claim, no payment or distribution provided for under the Plan shall be made

on account of the portion of such Claim that is a Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim.

10.4.2 Distribution After Allowance. On the next Distribution Date following the date on which a Disputed Claim becomes an Allowed Claim, the Distribution Agent shall distribute to the Person holding such Claim any Cash or New Common Stock that would have been distributable to such Person if such Claim had been an Allowed Claim on the Effective Date.

10.4.3 Reserves for Disputed Claims. In the event that a Claim (whether Administrative, Priority, Tax or Unsecured) is a Disputed Claim, the Distribution Agent shall establish reasonable reserves in an amount equal to the amount that would have been distributed to the Holders of Disputed Claims in such Class had their Disputed Claims been deemed Allowed Claims on the Effective Date or such other amount as may be approved by the Bankruptcy Court upon motion of the Debtors or Reorganized Debtors. If the Disputed Claim subsequently becomes an Allowed Claim, the Holder of such Claim shall be entitled to recover up to the amount reserved on account of such Claim, but shall have no right to recover any amount in excess of amounts reserved pursuant to this section.

ARTICLE XI

EFFECTS OF PLAN CONFIRMATION

11.1 **Discharge.** The rights afforded under this Plan and the Confirmation Order and the treatment of Claims and Interests thereunder shall be in exchange for, and in complete satisfaction, discharge, and release of, all Claims and satisfaction or termination of all

Interests, including any interest accrued on Claims from and after the Petition Date. Except as otherwise expressly provided in the Plan or the Confirmation Order, upon the occurrence of the Effective Date, the Debtors shall be discharged, effective immediately, from any Claim and 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 reduced to judgment or not, liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, that arose from any agreement of the Debtors entered into or obligation of the Debtors incurred before the Confirmation Date, or from any conduct of the Debtors prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest accrued and expenses incurred, if any, on any such debts, whether such interest accrued or such expenses were incurred before or after the Petition Date, and including, without limitation, any liability of a kind specified in Bankruptcy Code section 502(g), 502(h) and 502(i), whether or not a proof of claim was filed or is deemed filed under Bankruptcy Code section 501, such Claim is allowed under Bankruptcy Code section 502 or the Person holding such Claim has accepted the Plan. The discharge granted under this section 11.1 shall void any judgment obtained against the Debtors or Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim. As set forth in the order authorizing the U.S. Government Settlement, pursuant to the U.S. Government Recommended Settlement, Debtors will waive their right to assert that confirmation of the Plan renders any appeal by the U.S. Government Entities of an order determining that the obligations of the U.S. Government Entities are discharged or

dischargeable, equitably moot, or that Confirmation of the Plan bars such an appeal under the doctrines of *res judicata*, waiver, equitable estoppel, or equitable mootness.

11.2 **Revesting.** Except as otherwise expressly provided in the Plan or the Confirmation Order, on the Effective Date, without any further action, Reorganized Debtors will be vested with all of the property of the Debtors' Estates free and clear of all Claims, Liens and Interests, and may operate their businesses and may use, acquire, or dispose of their assets free of any restrictions imposed by the Bankruptcy Code or by the Bankruptcy Court; provided that such property of the Debtors' Estates shall be subject to the Liens granted pursuant to the New Senior Secured Note and any Liens retained on account of Class 3 Secured Claims. Except as otherwise expressly provided in the Plan or Confirmation Order, all Rights of Action are hereby preserved, retained for enforcement solely and exclusively by and at the discretion of the Reorganized Debtors.

11.3 **Preservation of All Rights of Action.** Except as otherwise expressly provided herein or in any other Final Order, the Debtors on behalf of themselves and the Reorganized Debtors exclusively reserve all rights to commence and pursue, as appropriate, any and all Rights of Action, whether arising prior to or after the Petition Date, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Courts. While the Debtors have attempted to identify in the Disclosure Statement the Rights of Action that may be pursued, the failure to list therein any potential or existing Right of Action generally or specifically is not intended to limit the rights of the Debtors or Reorganized Debtors to pursue any such action.

Unless a Right of Action against any Person is expressly waived, relinquished, released, compromised, or settled as provided or identified in the Plan or any Final Order, the Debtors on behalf of themselves and Reorganized Debtors expressly and exclusively reserve all Rights of Action for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches shall apply to such Rights of Action upon or after the confirmation or consummation of the Plan. In addition, the Debtors on behalf of themselves and Reorganized Debtors expressly and exclusively reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are defendants or interested parties against any Person.

ARTICLE XII

RELEASES, INJUNCTIONS AND EXCULPATION

12.1 **Release of Releasees by Debtors.**

Except as otherwise provided in the Plan or the Confirmation Order, from and after the Effective Date, each of the present directors², officers³, and employees, agents, attorneys, accountants, or advisors or other professionals of the Debtors or Reorganized Debtors (including any professional retained by the Debtors pursuant to a Final Order of the Bankruptcy Court, regardless of whether such professional still continues to provide services to the Debtors), the Prepetition Lenders, the informal steering committee of the Prepetition Lenders, the Agent

² Merlin D. Schulze, John P. Wolff and Yoshihide Kurihara are the present directors of the Debtors.

³ Brian G. Kushner, Andrew Jent and Michael Katzenstein are the present officers of the Debtors.

and their respective advisors, attorneys, accountants, and other professionals, the successors and assigns of such parties and any Person claimed to be liable derivatively through any of the foregoing⁴ (collectively, the "Releasees"), shall be released by the Debtors, their respective subsidiaries, and any Person claiming by, through or under any of them, from any and all claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that any Debtor or any of their respective subsidiaries is entitled to assert in its own right or on behalf of the Holder of any Claim or Interest or other Person, based in whole or in part upon any act or omission, transaction, agreement, event, or other occurrence taking place on or prior to the Effective Date. Notwithstanding the foregoing, the Releasees shall not be released from any claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, arising under executory contracts assumed under the Plan or acts or omissions which are the result of fraud, gross negligence, willful misconduct, or willful violation of the law.

12.2 **Injunctions and Stays.**

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions and stays provided for in the Cases pursuant to Bankruptcy Code sections 105 and 362 or otherwise in effect on the Confirmation Date, shall remain in full force and effect until the

⁴ Nothing in this provision is intended to or shall release any claims of the Debtors or any Creditor or party in interest against the Debtors' former affiliates, including Global Crossing, Asia Global Crossing, or their prior or current affiliates and successors.

Effective Date. From and after the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons are permanently enjoined from, and restrained against, commencing or continuing in any court any suit, action, or other proceeding, or otherwise asserting any claim or interest, seeking to hold (a) Reorganized Debtors, (b) the property of Reorganized Debtors, or (c) any of the Releasees, liable for any claim, obligation, right, interest, debt or liability that has been discharged or released pursuant to sections 11.1 or 12.1 of the Plan.

The satisfaction, release, and discharge granted pursuant to the Plan shall also act as an injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim or cause of action satisfied, released, or discharged under the Plan to the fullest extent authorized or provided by the Bankruptcy Code, including, without limitation, to the extent provided for or authorized by sections 524 and 1141 thereof. Subject to the discharge granted under Bankruptcy Code sections 524 and 1141, the injunction described herein shall not preclude police, federal tax, or regulatory agencies from fulfilling their statutory duties to the extent permitted under section 362(b) of the Bankruptcy Code.

12.3 **Exculpation.**

None of the Debtors or the Releasees, nor any of the respective members, officers, directors, employees, agents, advisors, attorneys, accountants and other professionals of any of the foregoing shall have any liability to any Holder of any Claim or Interest or other Person for any act or omission in connection with or arising out of the administration of the Cases, including, without limitation, the negotiation, preparation and pursuit of confirmation of

the Plan, the consummation of the Plan, the administration of the Plan, or the property to be distributed under the Plan except for liability based on willful misconduct or gross negligence as finally determined by the Bankruptcy Court or as otherwise set forth in section 12.1 hereof.

Each of the Reorganized Debtors entities and their respective officers, directors, employees, and other agents, advisors, attorneys, and accountants shall be entitled to rely, in every respect, upon the advice of counsel with respect to their duties and responsibilities under the Plan.

12.4 **Indemnification Obligations.**

The obligations of the Debtors and Reorganized Debtors pursuant to law, contract, their respective certificates of incorporation or bylaws, pursuant to this Plan or otherwise to indemnify, or to pay contribution or reimbursement to, the indemnified officers and directors in respect of legal fees, costs, expert advice, witness expenses, settlement or payment of indemnified claims incurred by the indemnified officers and directors (collectively, the "Indemnity Claims") shall be assumed by Reorganized Parent, solely to the maximum extent of applicable and available directors and officers liability insurance, and accordingly, shall not be discharged or impaired by reason of confirmation of the Plan or otherwise, shall not be subordinated under Bankruptcy Code section 510 or otherwise and shall not be disallowed under Bankruptcy Code section 502(e) or otherwise. Indemnity Claims shall include fees, costs, and expenses incurred by any Indemnified Officer or Director in contesting any denial of coverage under the Current and Post-Confirmation Policies. Upon written request of any one or more indemnified officers and directors, the Board of Directors may, in its reasonable discretion, apply funds that would be used in respect of the defense of an indemnified claim to the settlement

thereof if such settlement payment will be less than the reasonably anticipated cost of such a defense and such application would be in the best interests of Reorganized Debtors. Any liability of the Debtors under this paragraph that is attributable to the period from the Petition Date to the Effective Date and that under the Bankruptcy Code has the priority of an expense of administration shall be entitled to such priority. Notwithstanding anything herein to the contrary, the Reorganized Debtors are not assuming any indemnity obligations in connection with former directors and officers of the Debtors. Any such obligations are hereby expressly rejected.

ARTICLE XIII

CONDITIONS TO CONFIRMATION AND EFFECTIVENESS

13.1 Conditions Precedent to Plan Confirmation.

It shall be a condition precedent to the confirmation of the Plan that on or prior to the Confirmation Date, the Bankruptcy Court shall have entered one or more orders, in form and substance satisfactory to the Debtors and the informal steering committee of the Prepetition Lenders, that shall be in full force and effect and not stayed and that shall:

- (a) decree that the Plan and the Confirmation Order shall supersede any Bankruptcy Court orders issued prior to the Effective Date that are inconsistent therewith;
- (b) authorize the implementation of the Plan in accordance with its terms, including, without limitation, the execution and delivery of the agreements and instruments entered into pursuant to the Plan (including, without limitation, each of the Plan Documents);

(c) contain findings supported by evidence adduced at or before the Confirmation Hearing and order that: (i) upon the occurrence of the Effective Date, all New Securities and Plan Documents are authorized by all corporate action; (ii) any liens and security interests granted by such documents are valid, binding, and enforceable, subject to no prior liens, except as may be provided in such documents; and (iii) pursuant to Bankruptcy Code section 1146(c), the issuance of the New Common Stock and the grant of liens and security interests described in the preceding clause are not subject to any stamp, real estate, or transfer tax, and that all recording officers shall record the same without imposition of any charge;

(d) issue the injunction and authorize the issuance of any releases and exculpations as set forth in the Plan, effective as of the Effective Date;

(e) approve the U.S. Government Settlement Agreement and the Tyco Settlement Agreement;

(f) decree that, on the Effective Date, the transfers of assets by the Debtors contemplated by the Plan (i) are or will be legal, valid and effective transfers of property, (ii) vest or will vest in the transferee good title to such property free and clear of all Claims, Interests, and Liens, except those provided for in the Plan or the Confirmation Order, (iii) do not or will not constitute fraudulent conveyances under any applicable law, and (iv) do not and will not subject the Debtors, Reorganized Debtors, or property so transferred to any liability by reason of such transfer under applicable law or any theory of law including, without limitation, any theory of successor or transferee liability;

(g) confirm the Plan and authorize its implementation in accordance with its terms; and

(h) substantively consolidate the Estates for purposes of the Plan only.

13.2 Conditions Precedent to Plan Effectiveness.

It shall be a condition precedent to the effectiveness of the Plan that:

(a) The orders referred to in section 13.1, including, without limitation, the Confirmation Order, shall be Final Orders and in form and substance satisfactory to the Debtors and the informal steering committee of the Prepetition Lenders;

(b) All agreements and instruments contemplated by, or to be entered into pursuant to, the Plan and its provisions, including, each of the Plan Documents necessary for effectuation of the Plan, shall have been duly and validly executed and delivered, or deemed executed by the parties thereto, shall be in full force and effect and all conditions to their effectiveness shall have been satisfied or waived;

(c) The Schemes and Explanatory Statement shall have been approved by the Bermuda court and filed with the Registrar of Companies; and

(d) The Effective Date shall be no later than December 31, 2005, unless otherwise extended by the Debtors.

The Debtors, in their sole and absolute discretion but subject to the prior consent of the Administrative Agent, may waive any condition precedent to the effectiveness of the Plan.

ARTICLE XIV

RETENTION OF JURISDICTION

14.1 **Retention of Jurisdiction.** Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Cases and any of the proceedings related to the Cases pursuant to Bankruptcy Code section 1142 and 28 U.S.C. section 1334 to the fullest extent permitted by the Bankruptcy Code and other applicable law, including, without limitation, such jurisdiction as is necessary to ensure that the purpose and intent of the Plan are carried out. Without limiting the generality of the foregoing, the Bankruptcy Court shall retain jurisdiction for the following purposes:

(a) to hear and determine any and all objections to the allowance, or requests for estimation, of Claims or the establishment of reserves pending the resolution of Disputed Claims;

(b) to consider and act on the compromise and settlement of any Claim against, or cause of action on behalf of, any Debtor or any Estate;

(c) to hear and determine any disputes relating to the rejection or assumption of any executory contract or unexpired lease and to determine the allowance of any Claim resulting therefrom;

(d) to enter such orders, including any orders under Bankruptcy Code Sections 542 and 543, as may be necessary or appropriate in connection with the recovery of the Debtors' assets wherever located;

(c) to hear and determine any and all applications for allowance of compensation and reimbursement of expenses;

(f) to hear and determine any and all controversies, suits, and disputes arising under or in connection with the interpretation, implementation or enforcement of the Plan and any of the documents intended to implement the provisions of the Plan or any other matters to be resolved by the Bankruptcy Court under the terms of the Plan;

(g) to hear and determine any motions or contested matters involving Taxes, tax refunds, tax attributes, and tax benefits and similar and related matters with respect to any Debtor arising prior to the Effective Date or relating to the administration of the Cases, including, without limitation, matters involving foreign, federal, state, and local Taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;

(h) to hear and determine any and all applications, adversary proceedings and contested matters pending on the Effective Date or that may be commenced thereafter as provided in the Plan;

(i) to effectuate distributions under and performance of the provisions of the Plan;

(j) to hear and determine any applications to modify any provision of the Plan to the full extent permitted by the Bankruptcy Code;

(k) to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, the exhibits to the Plan, and annexes thereto, including any of the Plan

Documents, or any order of the Bankruptcy Court, including the Confirmation Order, as may be necessary to carry out the purposes and intent of the Plan;

(l) to determine such other matters as may be provided for in the Confirmation Order or as may from time to time be authorized under the provisions of the Bankruptcy Code or any other applicable law;

(m) to enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings issued or entered in connection with the Cases or the Plan;

(n) to enter such orders as may be necessary or appropriate in aid of confirmation and to facilitate implementation of the Plan, including, without limitation, any stay orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(o) to remand to state court any claim, cause of action, or proceeding involving any of the Debtors that was removed to federal court in whole or in part in reliance upon 28 U.S.C. section 1334;

(p) to determine any other matter not inconsistent with the Bankruptcy Code; and

(q) to issue a final decree closing the Cases.

ARTICLE XV

MODIFICATION OR WITHDRAWAL OF PLAN

15.1 **Modification of Plan.** Subject to the prior consent of the Administrative Agent, at any time prior to confirmation of the Plan, the Debtors may supplement, amend, or modify the Plan. After confirmation of the Plan, the Debtors or Reorganized Debtors may apply to the Bankruptcy Court, pursuant to Bankruptcy Code section 1127, to modify the Plan, or remedy any defects or omissions in the Plan or to reconcile inconsistencies in the Plan. The Plan may not be altered, amended, or modified without the written consent of, prior to the Effective Date, the Debtors or, after the Effective Date, Reorganized Debtors.

15.2 **Withdrawal of Plan.** Subject to the prior consent of the Administrative Agent, the Debtors reserve the right to revoke and withdraw the Plan at any time before the Confirmation Date or, if the conditions set forth in section 13.2 hereof cannot be satisfied for any reason after the Confirmation Date, at any time up to the Effective Date.

ARTICLE XVI

MISCELLANEOUS

16.1 **Payment Dates.** Whenever any payment or distribution to be made under the Plan shall be due on a day other than a Business Day, such payment or distribution shall instead be made, without interest, on the immediately following Business Day.

16.2 **Headings.** The headings used in the Plan are inserted for convenience only and neither constitute a portion of the Plan nor in any manner affect the construction of the provisions of the Plan.

16.3 **Notices.** All notices and requests in connection with the Plan shall be in writing and shall be hand delivered or sent by mail addressed to:

Pacific Crossing, Ltd.
Attn: Brian Kushner
5956 Sherry Lane, Suite 1000
Dallas, TX 75225

with copies to:

PACHULSKI, STANG, ZIEHL, YOUNG, JONES & WEINTRAUB P.C.
Laura Davis Jones
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

PACHULSKI, STANG, ZIEHL, YOUNG, JONES &
WEINTRAUB P.C.
Debra Grassgreen
150 California Street, 15th Floor
Suite 1020
San Francisco, CA 94111-4500
Telephone: (415) 263-7000
Facsimile: (415) 263-7010

Attorneys for Debtors

All notices and requests to any Person holding of record any Claim or Interest shall be sent to them at their last known address or to the last known address of their attorney of record. Any such Person may designate in writing any other address for purposes of this section 16.3, which designation will be effective on receipt.

16.4 **Governing Law.** Except to the extent that the Bankruptcy Code or other federal law is applicable or Bermuda law in the case of New PCL Bermuda, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware.

16.5 **Successors and Assigns.** The rights, duties and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such entity.

16.6 **Severability of Plan Provisions.** If, prior to the Confirmation Date, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall, with the consent of the Debtors, have the power to interpret, modify, or delete such term or provision (or portions thereof) to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be operative as interpreted, modified, or deleted. Notwithstanding any such interpretation, modification, or deletion, the remainder of the terms and provisions of the Plan shall in no way be affected, impaired, or invalidated by such interpretation, modification, or deletion.

16.7 **No Waiver.** The failure of the Debtors to object to any Claim for purposes of voting shall not be deemed a waiver of the Debtors' or Reorganized Debtors' right to object to or examine such Claim, in whole or in part.

16.8 **Payment of Postpetition Interest and Attorneys' Fees.** Unless otherwise expressly provided in the Plan or allowed by order of the Bankruptcy Court, the Debtors shall not be required to pay to any Holder of a Claim any interest, penalty, or late charge, accruing on or after the Petition Date or any attorneys' fees with respect to such claim (except as may be specified in the Plan Documents).

16.9 **Services by and Fees for Professionals and Certain Parties.** Fees and expenses for the professionals retained by the Debtors for services rendered and costs incurred after the Petition Date and prior to the Effective Date will be fixed by the Bankruptcy Court after notice and a hearing and such fees and expenses will be paid by Reorganized Parent (less deductions for any and all amounts thereof already paid to such Persons) within five (5) Business Days after a Final Order of the Bankruptcy Court approving such fees and expenses. From and after the Effective Date, the Debtors or Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of the Professional Persons thereafter incurred by the Debtors or Reorganized Debtors related to the implementation and consummation of the Plan and the prosecution of any objections to claims, litigation, or other rights of action reserved by the Debtors under the Plan.

16.10 **Exemption From Securities Laws.** The New Common Stock distributed pursuant to this Plan is entitled to the benefits and exemptions provided by Bankruptcy Code section 1145 and any exemptions afforded under the Bermuda Companies Act 1981.

16.11 **Exemption From Certain Transfer Taxes.** Pursuant to Bankruptcy Code section 1146(c), any transfers from a Debtor to Reorganized Debtor or any other Person or entity pursuant to the Plan including (a) the issuance, transfer, or exchange of New Securities, (b) the creation of any mortgage deed or trust, or other security interest, and (c) the making of any agreement or instrument in furtherance of, or in connection with, this 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 governmental assessment.

16.12 Inconsistencies In the event the terms or provisions of the Plan are inconsistent with the terms and provisions of the Exhibit(s) to the Plan or documents executed in connection with the Plan, the terms of the Plan shall control.

Dated: November 9, 2005

PC LANDING CORP., PACIFIC
CROSSING, LTD., PACIFIC CROSSING
UK, LTD., PCL JAPAN, LTD., AND SCS
BERMUDA, LTD.

By: _____


Name: Brian G. Kushner
Title: Chief Executive Officer

EXHIBIT B

PCL Executory Contract List

General Disclaimer:

This list includes contracts or agreements that the Debtors intend to continue after the Effective Date. A number of these contracts or agreements were entered into after the Petition Date (July 19, 2002) and, therefore, are not executory contracts under Bankruptcy Code section 365. In addition, the Debtors believe that others of these agreements (for example, the Governmental Authorizations and Related Agreements and the Capacity Purchase Agreements) are not executory. However, in an abundance of caution, the Debtors have listed both pre- and post-petition contracts and agreements and certain vested contract rights. The Debtors have not listed any prepetition contracts or agreements with Global Crossing or Asia Global Crossing entities, all or a portion of which were rejected by the such entities in their respective bankruptcy cases and which the Debtors do not believe are executory contracts. Accordingly, this filing is not intended to impact the Debtors' claims and rights against Global Crossing and Asia Global Crossing in the adversary proceedings pending against such entities.

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
<i>Collocation</i>	Shared Services Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • East Asia Netcom Japan, Ltd. 	6/4/04	\$0
	Co-Location and Conduit Lease Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Level 3 Communications, LLC 	4/15/05	\$0
	Collocation Lease Agreement	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • Global Crossing North American Networks, Inc. 	To be entered into	\$0
	Collocation Services Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PAC Landing Corp. • Global Crossing North American Networks, Inc. 	To be entered into	\$0

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Cooperation Agreement	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • Global Crossing, Ltd. 	To be entered into	
O&M	Operations and Maintenance Agreement (<i>Japanese Cable Landing Stations</i>)	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Global Access Ltd. 	8/20/99	\$0
	First Amendment to Operations and Maintenance Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Global Access Ltd. 	9/13/05	\$0
	Master Operational Services Agreement for PC-1 Network	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Lucent Technologies Inc. 	6/30/05	\$0
	Contract for Post-Lay Inspection and Remedial Burial of Submarine Cable and Removal of Derelict Fishing Gear	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Alcatel Submarine Networks 	7/22/05	\$0
	Binding Instruction to Proceed, as amended	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Alcatel Submarine Networks SA • Alcatel Submarine Networks Marine A/S 	10/30/02	\$0
	Marine Maintenance Services Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Alcatel Submarine Networks SA • Alcatel Submarine Networks Marine A/S 	To be entered into	
	UJ Spares Pooling Contract	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Alcatel Submarine Networks SA 	To be entered into	

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
<i>Leases</i>	Estate Lease Contract	<ul style="list-style-type: none"> • PCL Japan Ltd. • Tsutomu Kurosawa • Marubeni Corporation (as surety) 	10/29/98	\$0
	Reimbursement Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PCL Japan Ltd. • Marubeni Corporation 	9/13/05	\$0
	Land Lease and Right of Way Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • East Asia Netcom Japan, Ltd. 	6/4/04	\$0
	Office Services Agreement, as amended	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Abby Offices Centers, Preston Center, Inc. 	12/30/02	\$0
<i>Fishing Agreements</i>	PC-1 Fishing Agreement with the Suquamish Tribe, as modified by Stipulation with Suquamish Tribe	<ul style="list-style-type: none"> • PC Landing Corp. • Global Crossing Ltd. • Suquamish Tribe 	8/23/99; 4/16/04	\$0
	Joinder Agreement	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • Central California Joint Cable / Fisheries Liaison Committee, Inc. 	9/16/03	\$0
	Fishing Agreement between PCL and the Makah Tribe	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • Makah Tribe 	10/5/05	\$0
	Pacific Crossing-1 Cable Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • Kou (Kokubu) Fishermen's Union • KDDI Submarine Cable System K.K. 	1/16/01	\$0

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Pacific Crossing-1 Cable Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • Kouka (Koga) Fishermen's Union • KDDI Submarine Cable System K.K. 	1/16/01	\$0
	Pacific Crossing-1 Cable Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • Anori (Anjyo) Fishermen's Union • KDDI Submarine Cable System K.K. 	1/16/01	\$0
	Pacific Crossing-1 Cable Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • Ibaraki Fishermen's Union • KDDI Submarine Cable System K.K. 	9/6/02	\$0
	Pacific Crossing-1 Cable Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • Ibaraki Fishermen's Union • KDDI Submarine Cable System K.K. 	9/6/02	\$0
<i>Capacity Purchase Agreements¹</i>	IRU Agreement and Capacity Lease	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Asia Netcom Asia Pacific Limited 	6/4/04	\$0
	Inland Capacity Purchase Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Global Access Limited 	12/24/04	\$0

¹ The Debtors do not believe that these agreements are executory contracts pursuant to Bankruptcy Code Section 365. However, in an abundance of caution, these agreements are being listed here so that, in the event they are deemed executory, they will be assumed and assigned to the Reorganized Debtors. Services may be provided by the Debtors to certain end-users of capacity on the PC-1 system provided by counterparties under certain of these agreements. Such end-users of capacity are not direct parties to any agreements with the Debtors.

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Letter Agreement, as amended ²	<ul style="list-style-type: none"> Pacific Crossing Ltd. Global Crossing Bandwidth, Inc. 	8/9/05	\$0
	Letter Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. Global Crossing Limited 	7/31/03	\$0
	Interim Agreement, as amended on 9/27/04, 12/30/04, 6/28/05 and 9/19/05	<ul style="list-style-type: none"> Pacific Crossing Ltd. Global Crossing Asia Holdings Ltd. 	2/2/04	\$0
	Master Service Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. Level 3 Communications, LLC 	12/10/04	\$0
	Capacity Purchase Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. DDI Corporation 	3/29/99	\$0
	Capacity Purchase Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. British Telecommunications, Plc. 	3/3/99	\$0
	Capacity Purchase Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. Japan Telecom Co., Ltd. 	8/5/05	\$0
	IRU Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. Global Crossing Asia Holdings Limited 	To be entered into	\$0
	IRU Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. Global Crossing Bandwidth, Inc. 	To be entered into	\$0
	Leased Capacity Agreement	<ul style="list-style-type: none"> Pacific Crossing Ltd. Global Crossing Asia Holdings Limited 	To be entered into	\$0

² Until the Capacity Purchase Agreement is signed, Global Crossing Bandwidth, Inc. is providing capacity under the Letter Agreement dated 8/9/05.

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
<i>Settlement Agreements</i>	Asia Netcom-PCL Settlement Agreement and Mutual Release	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • PCL Japan Ltd. • Pacific Crossing UK Limited • SCS Bermuda, Ltd. • Asia Netcom Asia Pacific Limited • Asia Netcom Corporation Limited • East Asia Netcom, Ltd. • East Asia Netcom Japan, Ltd. • William Barney • Mark Simpson • Greg Freiberg 	6/4/04	\$0
	Pivotal Telecom-PCL Settlement Agreement and Mutual Release	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • PCL Japan Ltd. • Pacific Crossing UK Ltd. • Pivotal Telecom, LLC 	7/30/04	\$0

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	CSLC-PCL Settlement Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • California State Lands Commission 	8/26/05	Subject to terms of settlement agreement and motion on conditional assumption
	Global Access Limited-PCL Settlement Agreement	<ul style="list-style-type: none"> • PCL Entities³ • Global Access Limited 	9/13/05	\$0
	PCL-Tyco Settlement Agreement and Release	<ul style="list-style-type: none"> • PCL Entities • Tyco Telecommunications (US) Inc. 	11/4/05	\$0
	PC-1 Settlement Agreement with U.S. Government, Makah Tribe, Tyco and PCL	<ul style="list-style-type: none"> • PCL Entities • Tyco Telecommunications (US) Inc. • Makah Tribe • United States of America 	11/4/05	\$0
	Makah Tribe-PCL Settlement Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Makah Tribe 	10/5/05	\$0
	KDDI-PCL Settlement Term Sheet	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • PCL Japan Ltd. • KDDI Submarine Cable Systems, Inc. 	To be entered into	

³ For purposes of this List, "PCL Entities" consist of Pacific Crossing Ltd., PC Landing Corp., PCL Japan Ltd., Pacific Crossing UK Ltd., SCS Bermuda, Ltd., the Debtor in Case No. 02-12086 (PIW) in the United States Bankruptcy Court for the District of Delaware.

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	KDDI-PCL Memorandum Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • PCL Japan Ltd. • KDDI Submarine Cable Systems, Inc. • KDDI Corporation 	To be entered into	
	Global Crossing-PCL Settlement Agreement and Mutual Release	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • [Global Crossing, Ltd.] • Global Crossing Asia Holdings, Ltd. • Global Crossing East Asia, Ltd. • Global Crossing North American Networks, Inc. • [U.S. Crossing, Inc.] • PAC Landing Corp. 	To be entered into	
	Stipulation between California Coastal Commission and PCL Settling Claims and Other Matters	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • California Coastal Commission 	10/28/05	
	Stipulated Settlement and Order California State Department of Parks and Recreation and PCL	<ul style="list-style-type: none"> • PC Landing Corp. • California State Department of Parks and Recreation 	11/10/05	
Guaranty	<i>Guaranty (in favor of PCL and PC Landing Corp.)</i>	<ul style="list-style-type: none"> • Unknown 	To be entered into	

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Guaranty (in favor of PCL, PC Landing Corp., PCLJ, PCUK and SCS Bermuda, Ltd.)	<ul style="list-style-type: none"> • Asia Netcom Asia Pacific Limited • Asia Netcom Corporation Limited • Asia Netcom Asia Pacific Commercial Limited • Asia Netcom Hong Kong Limited • Asia Netcom Singapore Pte. Limited 	6/4/04	\$0
Consulting	Engagement Letter	<ul style="list-style-type: none"> • PCL Japan Ltd. • KPMG Asahi Corporation 	8/1/02	\$0
	Engagement Letter	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • KPMG Asahi Corporation 	8/1/02	\$0
	Engagement Agreement	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Renew Data Corp. 	5/19/04	\$0
	Administrative Services Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • RIS International, Inc. 	7/16/03	\$0
	Service Agreement	<ul style="list-style-type: none"> • Pacific Crossing UK Ltd. • Yoshihide Kurihara 	5/15/03	\$0
	Engagement Letter	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • PC Landing Corp. • PCL Japan Ltd. • Pacific Crossing UK Ltd. • SCS Bermuda, Ltd. • CXO, L.L.C. 	10/28/02	\$0
	Engagement Letter	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Pachulski, Stang, Ziehl, Young, Jones & Weintraub 	7/16/02	\$0

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Engagement Letter	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Kronish Lieb Weiner & Hellman LLP 	12/6/02	\$0
	Engagement Letter	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Preston Gates & Ellis 		\$0
	Engagement Letter	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Milligan-Whyte & Smith 		\$0
	Engagement (as set forth in motions filed with the Court)	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • Morrison & Foerster LLP 		\$0
	Engagement (as set forth in motions filed with the Court)	<ul style="list-style-type: none"> • PCL • Baker & Hostetler LLP 		\$0
	Contract T&M (2/15/05)	<ul style="list-style-type: none"> • CXO (for the benefit of Pacific Crossing Ltd.) • AMEC Earth & Environmental, Inc. 	2/15/05	\$0
	Engagement Letter (liquidator)	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • RSM Robson Rhodes LLP 	To be entered into	\$0
	Engagement Letter (tax)	<ul style="list-style-type: none"> • Pacific Crossing UK Ltd. • RSM Robson Rhodes LLP 	To be entered into	\$0
	Engagement Letter	<ul style="list-style-type: none"> • PCL Japan Ltd. • Kobayashi Tax and Accounting Office 	To be entered into	\$0
Insurance	General Liability Insurance (Policy No. 00009707-0)	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • James River Insurance Co. 	4/1/05	\$0
	Directors & Officers Insurance (Policy No. ELU 088870-05)	<ul style="list-style-type: none"> • Pacific Crossing Ltd. • XL Specialty Insurance Company 	5/15/05	\$0

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	System Insurance (Policy Nos. PP0500041 and PP0500051)	<ul style="list-style-type: none"> Pacific Crossing Ltd. Lloyd & Partners Limited 	2/22/05	\$0
	Tank Insurance (Policy No. 0154549)	<ul style="list-style-type: none"> Pacific Crossing Ltd. AIG TankGuard Insurance Program 	10/25/04	\$0
<i>Cable Landing Station Contracts⁴</i>	HVAC Service Agreement, as amended on 7/5/02 (Harbour Pointe)	<ul style="list-style-type: none"> Alcatel Submarine Networks (for the benefit of PC Landing Corp.) Roberts Trane 	7/30/01	\$0
	Commercial Sales Agreement (Harbour Pointe)	<ul style="list-style-type: none"> PC Landing Corp. ADT Security Services, Inc. 	7/21/04	\$0
	codeLink Life Safety System Test and Inspection Agreement (Harbour Pointe)	<ul style="list-style-type: none"> PC Landing Corp. Siemens Building Technologies, Inc. 	7/21/04	\$0
	Commercial Sales Agreement (Grover Beach)	<ul style="list-style-type: none"> PC Landing Corp. ADT Security Services, Inc. 	3/21/02	\$0
	Full Service and Supply Agreement (Grover Beach)	<ul style="list-style-type: none"> PC Landing Corp. Advanced Office Automation, Inc. 		\$0
	codeLink Life Safety System Test and Inspection Agreement (Grover Beach)	<ul style="list-style-type: none"> PC Landing Corp. Siemens Building Technologies, Inc. 	4/23/03	\$0
	Maintenance Agreement for Building Environmental Systems	<ul style="list-style-type: none"> PC Landing Corp. BMI-PacWest, Inc. 	3/18/04	\$0
<i>NDAs⁵</i>				

⁴ The Debtors also have a number of month-to-month or year-to-year arrangements with other vendors and utilities related to the use, operation and maintenance of the cable landing stations in Grover Beach, California and Harbour Pointe, WA that are not reduced to contract. The Debtors intend to assume all such arrangements.

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
<i>Wireline Crossing</i>	Wireline Crossing Agreement	<ul style="list-style-type: none"> • PC Landing Corp. • Union Pacific Railroad Company 	6/15/00	\$0
	License for Communication Line and/or Television Cable Across or Along Railway Property (99-22052)	<ul style="list-style-type: none"> • PC Landing Corp. • Burlington Northern and Santa Fe Railway Company 	7/23/99	\$0
	License for Communication Line and/or Television Cable across or Along Railway Property (99-22053)	<ul style="list-style-type: none"> • PC Landing Corp. • Burlington Northern and Santa Fe Railway Company 	7/23/99	\$0
<i>Landing Agreements / Licenses⁶</i>	Cable Landing License	<ul style="list-style-type: none"> • PC Landing Corp. • Federal Communications Commission 	11/23/98	\$0
	Landing Agreement	<ul style="list-style-type: none"> • PCL Japan Ltd. • Global Access Limited 	7/30/98	\$0
<i>Government Authorizations /Related Agreements⁷</i>	Coastal Development Permit	<ul style="list-style-type: none"> • PC Landing Corp • California Coastal Commission 	7/18/00	\$0

(continued)

⁵ The Debtors have entered into a number of non-disclosure agreements with third parties which the Debtors do not believe to be executory pursuant to Bankruptcy Code section 365. However, in an abundance of caution, these agreements are being referenced here so that, in the event they are deemed executory, they will be assumed and assigned to the Reorganized Debtors. If the complete list of non-disclosure agreements is required to be filed, the Debtors will file the list under seal.

⁶ The Debtors do not believe that these agreements are executory contracts pursuant to Bankruptcy Code Section 365. However, in an abundance of caution, these agreements are being listed here so that, in the event they are deemed executory, they will be assumed and assigned to the Reorganized Debtors.

⁷ The Debtors do not believe that these agreements are executory contracts pursuant to Bankruptcy Code Section 365. The Reorganization Plan expressly provides that the Debtors will comply with the terms and conditions of these authorizations and any modified or successor permit (see Sec. 7.10.2 of the Second Amended Plan of Reorganization). However, in an abundance of caution, these agreements are being listed here so that, in the event they are deemed executory, they will be assumed and assigned to the Reorganized Debtors.

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Agreement and Grant of Easement	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • California Department of Parks and Recreation 	6/28/00	\$0
	Collateral Agreement to Easement	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • California Department of Parks and Recreation 	6/28/00	\$0
	Temporary Use Permit	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • California Department of Parks and Recreation 	6/28/00	\$0
	Non-Exclusive Right-of-Way Use Lease	<ul style="list-style-type: none"> • PC Landing Corp. • California State Lands Commission 	4/20/04	\$0
	Ordinance Granting Non-Exclusive Franchise Easement	<ul style="list-style-type: none"> • PC Landing Corp. • City of Grover Beach 	8/16/99	\$0
	Coastal Development Permit, as amended	<ul style="list-style-type: none"> • PC Landing Corp. • City of Grover Beach 	5/24/00	\$0
	Ordinance No. 995 Granting Non-Exclusive Franchise and Revocable License Occupy Certain Real Property and Tidelands	<ul style="list-style-type: none"> • PC Landing Corp. • City of Mukilteo 	9/27/99	\$0
	Authorization/Special Use Permit in the Olympic Coast National Marine Sanctuary (ONNMS-01-99; OCNMS-2005-013)	<ul style="list-style-type: none"> • PC Landing Corp. • Tyco Telecommunications (US) Inc. (OCNMS-2005-013) • National Oceanic and Atmospheric Administration 	11/24/99; 11/4/05	\$0

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Nationwide Permit Authorization for PC-1 and PAC cables involving Grover Beach Landing	<ul style="list-style-type: none"> • PC Landing Corp. • PAC Landing Corp. • U.S. Army Corps of Engineers 	7/20/00	In accordance with terms of settlement agreement
	Aquatic Lands Easement, as amended by Memorandum of Settlement	<ul style="list-style-type: none"> • PC Landing Corp. • Washington Department of Natural Resources 	8/16/00; 5/15/03	\$0
	Memorandum of Agreement	<ul style="list-style-type: none"> • PC Landing Corp. • Chumash Indian Tribe 	4/17/00	\$0
	Non-Exclusive Easement for the Construction, Operation, and Maintenance of Fiber Optic Cables (<i>Harbour Pointe, WA</i>)	<ul style="list-style-type: none"> • Tyco Submarine Systems • U.S. Army Corps of Engineers • Transferred by Tyco to PC Landing Corp. on 12/29/99 	1/24/99	In accordance with terms of settlement agreement
	Permit Authorizing Work in connection with the Harbour Pointe Landing ⁸	<ul style="list-style-type: none"> • Tyco Submarine Systems • U.S. Army Corps of Engineers 	10/15/99 11/24/99	\$0
	Permit (Isozaki Fishing Harbor)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Ibaraki Prefecture Government, Fishery Development Department 		\$0

⁸ The U.S. Army Corps of Engineers permit to Tyco Submarine Systems (now Tyco Telecommunications (US) Inc.) authorizing work in connection with Harbour Pointe Landing, dated October 15, 1999 and November 24, 1999, as modified on November 4, 2005 in accordance with a settlement agreement with the United States, will be transferred to PC Landing Corp. upon completion of certain work by Tyco.

PCL Executory Contract List

Type	Description/Contract Title	Counterparty(ies)	Date	Cure Amount
	Permit (Ajigaura sea area)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Ibaraki Prefecture Government, Omiya Civil Engineering 		\$0
	Permit (Ajigaura beach)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Ibaraki Prefecture Government, Omiya Civil Engineering 		\$0
	Permit (Ajigaura modifications)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Ibaraki Prefecture Government, Omiya Civil Engineering 		\$0
	Permit (Shima prefecture road)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Shima Construction Department 		\$0
	Permit (Shima passage bridge)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Shima Construction Department 		\$0
	Permit (Shima water channel)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Shima Construction Department 		\$0
	Permit (Kou beach)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Shima Construction Department 		\$0
	Permit (Shima sea area)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Shima Construction Department 		\$0
	Permit (town road)	<ul style="list-style-type: none"> • PCL Japan Ltd. • Town of Ago-cho 		\$0