

TRADEMARK ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Order Pursuant to U.S.C. 1129 Confirming the Debtor's Joint Chapter 11 Plan of Liquidation Dated As Of May 1, 2002, As Modified		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
At Home Corporation		08/15/2002	CORPORATION: DELAWARE
RECEIVING PARTY DATA			
Name:	At Home Liquidating Trust		
Street Address:	One Waters Park Drive		
Internal Address:	Suite 160		
City:	San Mateo		
State/Country:	CALIFORNIA		
Postal Code:	94403		
Entity Type:	Trust:		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2075149	IMALL	
Registration Number:	2157249	IMALL	
CORRESPONDENCE DATA			
Fax Number:	(650)812-3444		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
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Correspondent Name:	Carr & Ferrell LLP		
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ATTORNEY DOCKET NUMBER:	T-0948		
NAME OF SUBMITTER:	Joi A. White, Esq.		

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Total Attachments: 29
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O'MELVENY & MYERS LLP
ATTORNEYS AT LAW
LOS ANGELES

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Attorneys for At Home Corporation, et al.
Debtors and Debtors in Possession

FILED

AUG 15 2002

UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

**UNITED STATES BANKRUPTCY COURT FOR
THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re
AT HOME CORPORATION,
a Delaware corporation, et al.

Debtor.

Case No. 01-32495-TC

Chapter 11

(Jointly Administered)

Date: August 6, 2002
Time: 9:30 a.m.
Place: Courtroom 23
235 Pine Street, 23rd Floor
San Francisco, CA 94104

**ORDER PURSUANT TO 11 U.S.C. §1129 CONFIRMING THE DEBTORS' JOINT
CHAPTER 11 PLAN OF LIQUIDATION
DATED AS OF MAY 1, 2002, AS MODIFIED**

ENTERED IN BANKRUPTCY DOCKET AUG 15 2002

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ORDER PURSUANT TO 11 U.S.C. §1129 CONFIRMING THE DEBTORS' JOINT CHAPTER 11
PLAN OF LIQUIDATION DATED AS OF MAY 1, 2002, AS MODIFIED)

1 This matter came on for hearing upon the motion by At Home Corporation
2 (“At Home”) and certain of its affiliated entities (together with At Home, the “Debtors”),
3 as debtors and debtors in possession in the above-captioned Chapter 11 cases, to confirm
4 the Debtors’ Joint Chapter 11 Plan of Liquidation Dated as of May 1, 2002 (June 18, 2002
5 Modification, including the First Amendment thereto (as defined herein) and the AT&T
6 Stipulation, as defined and incorporated therein (as modified or amended, the “Plan”).
7 This Court, having reviewed the Debtors’ Memorandum of Points and Authorities in
8 Support of the Plan, the Declaration of Stephenie Kjontvedt Regarding Balloting Results
9 for the Debtors’ Joint Chapter 11 Plan of Liquidation dated as of May 1, 2002 (June 18,
10 2002 Modification) and Filing Ballots and Tabulation Thereof dated July 31, 2002 (the
11 “Kjontvedt Declaration”), the Debtors’ Omnibus Reply to Responses to Debtors’
12 Proposed Joint Plan of Liquidation, all objections to confirmation and the other
13 declarations and other pleadings filed in support of the Plan, and having heard and
14 considered all arguments, evidence and testimony at the hearings on confirmation of the
15 Plan, and on the basis of the evidence presented, makes the following findings of fact and
16 conclusions of law in accordance with Bankruptcy Rule 7052:

17 IT IS HEREBY FOUND, CONCLUDED AND DECLARED THAT:¹

18 A. A copy of the Plan is attached hereto as Exhibit 1; unless otherwise
19 defined, capitalized terms used herein will have the meanings ascribed to such terms in
20 the Plan.

21 B. This Court has jurisdiction over this case under 28 U.S.C. § 1334 and
22 the matters set forth in this Order relate to a core proceeding under 28 U.S.C. § 157.

23 C. Notice of the time for filing objections to confirmation of the Plan
24 and the hearing on confirmation was given in accordance with Bankruptcy Rule
25 2002(b)(2); the form and scope of the notice were appropriate under the circumstances; all
26

27
28 ¹ Pursuant to Bankruptcy Rule 7052, findings of fact shall be construed as conclusions of
law and conclusions of law shall be construed as findings of fact as appropriate.

1 parties in interest had an opportunity to appear and be heard at the hearing on
2 confirmation; and no further notice is necessary under the circumstances.

3 D. The procedures by which ballots for acceptance or rejection of the
4 Plan were distributed and tabulated were fair and were properly conducted in accordance
5 with Bankruptcy Rule 3018, Bankruptcy Code section 1126 and the orders of this Court.

6 E. Objections to confirmation of the Plan were filed by AT&T Corp.
7 ("AT&T"); Promethean Asset Management, L.L.C. ("Promethean Asset Management"),
8 HFTP Investment, L.L.C. ("HFTP"), and Gaia Fund, Ltd. ("Gaia") (Promethean Asset
9 Management, HFTP and Gaia, collectively, "Promethean"); Cox Communications, Inc.
10 ("Cox"); Comcast Corporation ("Comcast"); Commonwealth of Pennsylvania,
11 Department of Revenue ("Commonwealth of Pennsylvania"); Martin/Campus LLC
12 ("Martin Campus"); Microsoft Corporation and MSLI, GP (collectively, "Microsoft");
13 Brian M. Lewis, *in pro per* ("Lewis"); Midland (Texas) Central Appraisal District
14 ("Midland"); and the Official Committee of Equity Security Holders (the "Equity
15 Committee").

16 F. On or about August 2, 2002, the Debtors amended the Plan by filing
17 and serving the First Amendment to Debtors' Joint Chapter 11 Plan of Liquidation dated
18 as of May 1, 2002 (June 18, 2002 Modification); following the initial hearing on
19 confirmation of the Plan, the Debtors filed a revised version of such Amendment on or
20 about August 14, 2002 (the "First Amendment").

21 G. The Plan and the Debtors, as the proponent of the Plan, have
22 complied with all the requirements of the Bankruptcy Code, including Bankruptcy Code
23 section 1129.

24 H. The Plan specifies the treatment of all Claims and Interests under the
25 Plan and provides the same treatment for each claim or interest in a particular Class.

26 I. Pursuant to Bankruptcy Code section 1129(a)(1), the Plan complies
27 with all applicable provisions of the Bankruptcy Code.

28

1 J. Article 6 of the Plan specifies that the Plan contemplates and is
2 predicated upon substantive consolidation of the Debtors into a single entity solely for
3 purposes of all actions under the Plan. Article 7 of the Plan provides for the distribution
4 of property. The Plan provides adequate means for the execution and implementation of
5 the Plan and otherwise complies with Section 1123(a)(5) of the Bankruptcy Code.

6 K. Article 7 of the Plan also provides that, immediately after the
7 occurrence of the Effective Date, the Debtors and their subsidiaries shall be deemed
8 dissolved and the At Home Liquidating Trust shall be authorized and directed to take all
9 actions reasonably necessary to dissolve such entities under applicable laws, including
10 without limitation under the laws of the jurisdictions in which they may be organized or
11 registered, and to pay all reasonable costs and expenses in connection with such
12 dissolutions, including the costs of preparing or filing any necessary paperwork or
13 documentation.

14 L. Pursuant to Bankruptcy Code section 1129(a)(2), the Debtors have
15 complied with the applicable provisions of the Bankruptcy Code in proposing the Plan
16 (including Bankruptcy Code sections 1122, 1123 and 1125).

17 M. Pursuant to Bankruptcy Code section 1129(a)(3), the Plan has been
18 proposed in good faith and not by any means forbidden by law.

19 N. Pursuant to Bankruptcy Code section 1129(a)(4), any payments made
20 or to be made under the Plan have been approved by the Court as reasonable, and any
21 payments by the Debtors to their professionals under Bankruptcy Code section 330 will be
22 subject to approval by the Court in connection with the fee application process.

23 O. Pursuant to Bankruptcy Code section 1129(a)(5), the identities and
24 affiliations of individuals proposed to serve as Trustees of the At Home Liquidating Trust,
25 the Bondholders' Liquidating Trust, the General Unsecured Creditors' Liquidating Trust
26 and the Contested Claims Reserve and the members of the Bondholders' Liquidating
27 Trust Committee and the General Creditors' Supervisory Board (collectively, the
28 "Liquidating Trusts Board Members") after confirmation of the Plan, the method of

1 choosing such Trustees and Liquidating Trusts Board Members, and the nature of the
2 compensation of such Trustees and Liquidating Trust Board Members were fully
3 disclosed by the Debtors or the Committees, and the appointment of such individuals to
4 such offices, or their continuance therein, is equitable and consistent with the interests of
5 the creditors and interest holders and with public policy.

6 P. Pursuant to Bankruptcy Code section 1129(a)(6), the Debtors are not
7 subject to the jurisdiction of any governmental rate regulatory commission of the kind
8 discussed therein, and Bankruptcy Code section 1129(a)(6) does not apply to the Plan.

9 Q. Pursuant to Bankruptcy Code section 1129(a)(7), each member of
10 Classes 5, 6 and 7 will receive under the Plan property of a value as of the Effective Date
11 that is not less than the amount that each would receive if the Debtors were liquidated
12 under chapter 7 of the Bankruptcy Code on that date.

13 R. Pursuant to Bankruptcy Code section 1129(a)(8), Classes 1, 2, 3 and
14 4 are not impaired by the Plan and are presumed conclusively to have accepted the Plan in
15 accordance with Bankruptcy Code section 1126(f). Classes 5a, 5b and 5d are impaired by
16 the Plan and, as set forth in the Kjontvedt Declaration, have voted to accept the Plan in
17 accordance with Bankruptcy Code section 1126(c) and (d). Class 5c is impaired by the
18 Plan but was not entitled to vote on the Plan as all 5c Claims are Contested Claims and
19 Class 5c is therefore deemed to reject the Plan. Classes 6 and 7 were not entitled to vote
20 on the Plan and are conclusively presumed to have rejected the Plan pursuant to
21 Bankruptcy Code section 1126(g).

22 S. Pursuant to Bankruptcy Code section 1129(a)(9), all Administrative
23 Claims, Tax Claims and Priority Claims will be paid in accordance with Bankruptcy Code
24 section 1129(a)(9), unless the holders of such claims agree to other treatment.

25 T. Pursuant to Bankruptcy Code section 1129(a)(10), at least one class
26 of claims that is impaired under the Plan has accepted the Plan, determined without
27 including any acceptance of the Plan by any insider; specifically, Bankruptcy Code
28 section 1129(a)(10) is satisfied because Classes 5a, 5b and 5d accepted the Plan.

1 U. Pursuant to Bankruptcy Code section 1129(a)(11), confirmation of
2 the Plan is not likely to be followed by the liquidation of the property of the Debtors or
3 further financial reorganization of the Debtors, other than as provided in the Plan.

4 V. It is a reasonable exercise of the Debtors' business judgment for them
5 to reject all executory contracts and unexpired leases that were not assumed or rejected
6 before the Confirmation Date with the approval of the Bankruptcy Court, or for which At
7 Home has not filed a motion to assume or reject before the Confirmation Date (other than
8 those otherwise provided for in the Plan or in this Order). The rejection of leases and
9 executory contracts pursuant to Article 10 of the Plan is the result of the sound business
10 judgment by the Debtors, and is in the best interests of the Debtors and the Estates.

11 W. Article 10.D of the Plan provides that, to the extent that any or all of
12 the insurance policies set forth in Exhibit B to the Plan are considered to be executory
13 contracts, then notwithstanding anything contained in the Plan to the contrary, the Plan
14 constitutes a motion to assume the insurance policies set forth on Exhibit B to the Plan
15 and to assign them to the At Home Liquidating Trust. Subject to the occurrence of the
16 Effective Date, the entry of this Confirmation Order shall constitute approval of such
17 assumption pursuant to section 365(a) of the Bankruptcy Code and a finding by the
18 Bankruptcy Court that each such assumption is in the best interest of At Home, the Estates
19 and all parties in interest in the Chapter 11 Cases and is a reasonable exercise of the
20 Debtors' business judgment.

21 X. Pursuant to Bankruptcy Code section 1129(a)(12), all fees payable
22 under 28 U.S.C. § 1930 through the Effective Date have been paid or will be paid on the
23 Effective Date of the Plan.

24 Y. Pursuant to Bankruptcy Code section 1129(a)(13), the Debtors have
25 no "retiree benefits" within the meaning of Bankruptcy Code section 1114(a) that the
26 Debtors or any successor would be required to continue funding under Bankruptcy Code
27 section 1129(a)(13).

28

1 Z. The Plan provides adequate means for its implementation, as required
2 by section 1123(a)(5) of the Bankruptcy Code.

3 AA. The Debtors will have, immediately upon the Effective Date,
4 sufficient Cash to make all payments required to be made on the Effective Date pursuant
5 to the terms of the Plan.

6 BB. It is not the principal purpose of the Plan to avoid taxes or the
7 application of section 5 of the Securities Act of 1933, as amended.

8 CC. The releases and exculpation provisions set forth in the Plan are fair
9 and reasonable and are entered into in good faith.

10 DD. The agreements, settlements, transactions and transfers authorized by
11 this Order are fair and reasonable and are entered into in good faith.

12 EE. The transfers of the assets of the Debtors to, as applicable, the At
13 Home Liquidating Trust, the Bondholders' Liquidating Trust and the General Unsecured
14 Creditors' Liquidating Trust, and to the holders of Allowed Claims as set forth in Article
15 7.H.5 of the Plan do not constitute fraudulent conveyances or fraudulent transfers under
16 Bankruptcy Code section 548 or any other applicable law.

17 FF. The Plan is fair and reasonable and the compromise and settlement of
18 the Promethean Secured Claims as set forth in the First Amendment (the "Promethean
19 Settlement") is entered into in good faith and otherwise satisfies the requirements of
20 Bankruptcy Rule 9019 and is in the best interests of the Debtors and their creditors and
21 helps provide adequate means for implementing the Plan.

22 GG. The addition to the Plan of Article 12.N and the other modifications
23 set forth in the First Amendment comply with Section 1127 of the Bankruptcy Code and
24 Bankruptcy Rule 3019 and are not material modifications to the Plan; no resolicitation of
25 votes on the Plan is required.

26 HH. Article 6 of the Plan specifies that the Plan contemplates and is
27 predicated upon substantive consolidation of the Debtors into a single entity solely for
28 purposes of all actions under the Plan. Entry of the Confirmation Order shall constitute

1 the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the
2 Effective Date, of the substantive consolidation of the Chapter 11 Cases for all purposes
3 related to the Plan.

4 II. The Debtors and all other parties in interest will be acting in good
5 faith if they proceed to consummate the Plan and the agreements, settlements, transactions
6 and transfers contemplated thereby and to take the actions authorized and directed by this
7 Order, notwithstanding any appeal of this Order, so long as no stay is issued pending
8 appeal, even if they act with knowledge of the pendency of that appeal.

9 JJ. The Bondholders' Committee and the General Creditors' Committee
10 entered into the Committee Settlement Agreement on or about April 19, 2002.

11 KK. By order dated on or about May 13, 2002, a portion of the Committee
12 Settlement Agreement was approved to appoint the Bondholders' Committee as
13 provisional estate representative to investigate, prosecute and/or settle the Controlling
14 Shareholders Related Litigation and to appoint the General Creditors' Committee as
15 provisional estate representative to investigate, prosecute and/or settle the Estate
16 Litigation.

17 LL. The Committee Settlement Agreement has been incorporated into
18 and made a part of the Plan that is confirmed pursuant to this Confirmation Order.

19 MM. The Equity Committee filed an objection to confirmation of the Plan
20 on the grounds that the treatment of the Bondholders under Class 5a and Class 5b violates
21 the absolute priority rule.

22 NN. Under the Committee Settlement Agreement, the General Creditors'
23 Committee, on the one hand, and the Bondholders' Committee, on the other hand, agreed
24 to assign the rights of their respective constituencies to receive the proceeds of certain
25 assets and properties of the Debtors and the Estates to each other. The formula used in the
26 Plan for the division of Net Available Cash reflects this agreement, as do the provisions in
27 the Plan for the Estate Litigation to be distributed to the General Unsecured Creditors'
28 Liquidating Trust and for the Controlling Shareholders Related Litigation to be distributed

1 to the Bondholders' Liquidating Trust. Pursuant to the First Amendment, the Plan has
2 been modified to permit certain excess proceeds of the Controlling Shareholders Related
3 Litigation to be distributed to the holders of Allowed Claims in Class 6 and Allowed
4 Claims and Interests in Class 7. The Bondholders' Committee and the General Creditors'
5 Committee consent to the First Amendment to Plan.

6 OO. As originally drafted, the Plan provided that the Bondholders would
7 receive all of the proceeds of the Controlling Shareholders Related Litigation regardless of
8 amount. As modified by the First Amendment to the Plan, the Committee Settlement
9 Agreement is approved. The First Amendment to the Plan reflects a modification to the
10 Plan to address the Court's concern about the failure of the Committee Settlement
11 Agreement to provide for the distribution to equity holders of the proceeds of the
12 Controlling Shareholders Related Litigation in excess of the proceeds necessary to repay
13 in full all prepetition unsecured debt, plus interest, plus the costs of prosecuting and/or
14 settling the Controlling Shareholders Related Litigation.

15 PP. The Controlling Shareholders Related Litigation consists of a broad
16 range of potential claims and causes of action for, among other things, breach of fiduciary
17 duty, securities law violations, intellectual property infringement and misappropriation
18 against Cox, Comcast and AT&T as well as claims and causes of action against all other
19 persons arising out of the same matters. The Court did not take evidence as to the value
20 of the Controlling Shareholders Related Litigation because the Court determined that the
21 Plan modifications in the First Amendment obviated any need to value the Litigation. The
22 Estate Litigation consists of a large number of smaller lawsuits against creditors of the
23 Debtors for preferences and fraudulent conveyances, accounts receivable actions, and
24 other causes of action not covered by the Controlling Shareholders Related Litigation.
25 The Court did not take evidence as to the value of the Estate Litigation because no party
26 requested a valuation or asserted that the Estate Litigation had any value in excess of the
27 debt owed to holders of Allowed Claims in Class 5d. Given the nature of the Estate
28 Litigation as described in the Disclosure Statement, any potential value of the Estate

1 Litigation is far less lucrative than any potential value of the Controlling Shareholders
2 Related Litigation.

3 QQ. At the Confirmation Hearing, in support of the First Amendment, the
4 Bondholders' Committee argued that it did not violate the absolute priority rule for the
5 Bondholders (as the holders of Allowed Claims in Classes 5a and 5b) to retain the
6 proceeds of the Controlling Shareholders Related Litigation in excess of the amount of
7 Allowed Class 5a Claims and Allowed Class 5b Claims plus interest and costs of litigation
8 (the "Excess") up to an amount equal to, but not to exceed, the shortfall, if any, between
9 (x) the amount distributed to the holders of Allowed Claims in Class 5d, and (y) full
10 payment of all Allowed Claims in Class 5d, plus interest (the "General Unsecured
11 Creditors' Deficiency"). The Equity Committee opposed the First Amendment and
12 argued that the Amendment violated the absolute priority rule because, depending on the
13 size of any settlement or judgment, it might enable the Bondholders to be paid more than
14 the full amount of their claims.

15 RR. For the reasons set forth in the Conclusions of Law herein, the Court
16 finds and determines that permitting the Bondholders (as the holders of Allowed Claims
17 in Classes 5a and 5b) to obtain the benefit of the Committee Settlement Agreement by
18 recovering up to the Bondholders' Maximum Recovery (as defined in the First
19 Amendment) does not violate the absolute priority rule and is permissible under the
20 Bankruptcy Code.

21 IT IS THEREFORE ORDERED THAT:

22 1. The Plan, including the definitions therein, the exhibits thereto and the
23 First Amendment thereof, is confirmed and approved in its entirety; to the extent there is
24 any conflict between the Plan and this Order, this Order shall control.

25 2. All objections to the Plan not sustained by the Court or withdrawn on the
26 record are hereby overruled on the merits.

27 3. The Debtors, the At Home Liquidating Trust, the Bondholders'
28 Liquidating Trust, the General Unsecured Creditors' Liquidating Trust, the Contested

1 Claims Reserve, and the trustees for each of the At Home Liquidating Trust, the
2 Bondholders' Liquidating Trust, the General Unsecured Creditors' Liquidating Trust and
3 the Contested Claims Reserve, as well as all parties in interest are hereby authorized and
4 directed to consummate in accordance with their terms the Plan and all agreements,
5 settlements, transactions and transfers that are provided for in the Plan, and to execute and
6 deliver all documents, including all documents specifically approved in this Order and all
7 documents and certificates required to be executed in connection with such documents,
8 and to take all actions that may be necessary or appropriate to implement any of the
9 provisions of this Order or the Plan.

10 4. On the Effective Date, the matters under the Plan involving action by
11 any of the Debtors, the At Home Liquidating Trust, the Bondholders' Liquidating Trust,
12 the General Unsecured Creditors' Liquidating Trust, the Contested Claims Reserve or the
13 Liquidating Trustees, including without limitation execution of all documentation incident
14 to the Plan, shall be deemed to have been authorized by this Order and to have occurred
15 and be in effect from and after the Effective Date without any further action by any of the
16 Debtors, the At Home Liquidating Trust, the Bondholders' Liquidating Trust, the General
17 Unsecured Creditors' Liquidating Trust, the Contested Claims Reserve or the Liquidating
18 Trustees, and such authorization shall constitute all requisite approval under applicable
19 law.

20 5. All matters provided under the Plan involving the corporate structure of
21 the Debtors, the Liquidating Trusts or the Contested Claims Reserve shall be deemed to
22 be authorized and approved without any requirement of further action by the Debtors, the
23 Debtors' shareholders, or the Debtors' board of directors.

24 6. For purposes of classification, voting and distributions under the Plan,
25 (a) all assets and liabilities of the Debtors shall be deemed merged so that all of the assets
26 of all of the Debtors shall be available to pay all of the liabilities of all of the Debtors as if
27 they were one company, (b) any obligation of any of the Debtors and all guaranties
28 thereof by or enforceable against any of the Debtors and any joint and several liability of

1 the Debtors shall be treated as though they were a single obligation in the amount of the
2 obligation of the primary obligor, (c) any Claim or Claims filed or to be filed against any
3 of the Debtors in connection with any such obligation and any such guaranties or any such
4 joint and several liability shall be treated as though they were a single Claim in the
5 amount of the Claim against the primary obligor, (d) all such guaranties of the Debtors
6 shall be deemed eliminated and extinguished, (e) all Claims of any Debtor against any
7 other Debtor shall be cancelled and extinguished, and (f) no distributions shall be made
8 under the Plan on account of any Interests of any of the Debtors in any of the other
9 Debtors. Nothing in this Order or in any provision of the Plan shall (i) augment or
10 increase the property that constitutes collateral securing any Claim or (ii) cause any Claim
11 or obligation to constitute Senior Indebtedness.

12 7. Except as otherwise provided in the Plan or in any contract, instrument,
13 release or agreement entered into in connection with the Plan, in accordance with section
14 1123(b) of the Bankruptcy Code, the Liquidating Trusts, the Liquidating Trustees, the
15 Contested Claims Reserve or the trustee of the Contested Claims Reserve, as applicable,
16 shall retain and may exclusively enforce and prosecute any claims, causes or Rights of
17 Action that the Debtors or the Estates may have against any person or entity. The
18 Liquidating Trusts, the Liquidating Trustees, the Contested Claims Reserve or the trustee
19 of the Contested Claims Reserve, as applicable, may pursue such retained claims, causes
20 or Rights of Action in accordance with the best interests of the creditors, the Estates, the
21 At Home Liquidating Trust or the constituents of the Creditor Representatives or the
22 Contested Claims Reserve.

23 8. On the Effective Date of the Plan, all right, title and interest of the
24 Debtors and the Estates in and to the Controlling Shareholders Related Litigation shall be
25 assigned and transferred to the Bondholders' Liquidating Trust and/or the Bondholders'
26 Liquidating Trustee as trustee under the Bondholders' Liquidating Trust and, thereafter,
27 the Bondholders' Liquidating Trustee and/or the Bondholders' Liquidating Trust shall be
28 deemed to be the successor to the Debtors and the Estates for all purposes relating to the

1 prosecution or settlement of the Controlling Shareholders Related Litigation, or for any
2 other purpose, and the Bondholders' Liquidating Trust and/or the Bondholders'
3 Liquidating Trustee as trustee under the Bondholders' Liquidating Trust and on behalf of
4 the Bondholders' Liquidating Trust may sue in the name of and on behalf of the Debtors
5 and the Estates as a successor in interest the same as if the Controlling Shareholders
6 Related Litigation had never been transferred and assigned by the Debtors and the Estates.

7 9. In prosecuting the Controlling Shareholders Related Litigation for the
8 benefit of the holders of Allowed Claims in Classes 5a, 5b, 5c and 6, and the holders of
9 Allowed Claims and Interests in Class 7, the Bondholders' Liquidating Trust shall have
10 the same duties and responsibilities to those holders as a debtor in possession who is
11 prosecuting claims and causes of action of the estate prior to confirmation of a plan has to
12 the parties with claims against or interests in the estate. The Bondholders' Liquidating
13 Trust and its successors and designees shall have the same obligations and duties with
14 respect to the administration of Class 5c Claims as were owed by the Debtors to holders of
15 Class 5c Claims. Notwithstanding anything to the contrary in the Plan (as amended by the
16 First Amendment), the Bondholders' Liquidating Trust Agreement, or any other plan
17 document, nothing herein shall prevent the Bondholders' Liquidating Trust, and/or the
18 Bondholders' Liquidating Trustee on behalf of the Trust, from (i) seeking to settle, sell or
19 otherwise dispose of the Controlling Shareholders Related Litigation over the objection of
20 the Class 7 Committee or the holders of Class 6 or Class 7 Claims or Interests, (ii)
21 commencing and prosecuting the Controlling Shareholders Related Litigation against any
22 person or entity subject to suit under the Controlling Shareholders Related Litigation, or
23 (iii) objecting to the proofs of claim filed by any of the persons or entities covered within
24 the definition of Controlling Shareholders Related Parties.

25 10. On the Effective Date of the Plan, all right, title and interest of the
26 Debtors and the Estates in and to the Estate Litigation shall be assigned and transferred to
27 the General Unsecured Creditors' Liquidating Trust and/or the General Unsecured
28 Creditors' Liquidating Trustee as trustee under the General Unsecured Creditors'

1 Liquidating Trust and, thereafter, the General Unsecured Creditors' Liquidating Trustee
2 and the General Unsecured Creditors' Liquidating Trust shall be deemed to be the
3 successor to the Debtors and the Estates for all purposes relating to the prosecution or
4 settlement of the Estate Litigation, or for any other purpose, and the General Unsecured
5 Creditors' Liquidating Trust and/or the General Unsecured Creditors' Liquidating Trustee
6 as trustee under the General Unsecured Creditors' Liquidating Trust and on behalf of the
7 General Unsecured Creditors' Liquidating Trust may sue in the name of and on behalf of
8 the Debtors and the Estates the same as if the Estate Litigation had never been transferred
9 and assigned by the Debtors and the Estates.

10 11. Subject to Article 12.N of the Plan, the Committee Settlement
11 Agreement, substantially in the form of Exhibit A to the Plan, is approved in all respects.

12 12. The At Home Liquidating Trust Agreement, substantially in the form of
13 Exhibit 2 to this Order, is approved in all respects.

14 13. The Debtors and the At Home Liquidating Trustee are authorized and
15 directed to execute the At Home Liquidating Trust Agreement which, upon execution in
16 accordance with the Plan, shall be the legal, valid and binding obligation of the At Home
17 Liquidating Trust and enforceable in accordance with its terms.

18 14. On the Effective Date, Jacquelyn Crawford is appointed as the initial At
19 Home Liquidating Trustee by all requisite action under law.

20 15. The Bondholders' Liquidating Trust Agreement, substantially in the
21 form of Exhibit 3 to this Order, is approved in all respects.

22 16. The Debtors and the Bondholders' Liquidating Trustee are authorized
23 and directed to execute the Bondholders' Liquidating Trust Agreement which, upon
24 execution in accordance with the Plan, shall be the legal, valid and binding obligation of
25 the Bondholders' Liquidating Trust and enforceable in accordance with its terms.

26 17. On the Effective Date, Benjamin C. Duster IV is appointed as the initial
27 Bondholders' Liquidating Trustee and Creedon Capital LLC, Everest Capital Limited,
28 Lydian Overseas Partners Master Fund, Mackay Shields LLC and R2 Investments, LDC

1 are appointed as the initial members of the Bondholders' Liquidating Trust Committee, by
2 all requisite action under law.

3 18. The General Unsecured Creditors' Liquidating Trust Agreement,
4 substantially in the form of Exhibit 4 to this Order, is approved in all respects.

5 19. The Debtors and the General Unsecured Creditors Liquidating Trustee
6 are authorized and directed to execute the General Unsecured Creditors' Liquidating Trust
7 Agreement which, upon execution in accordance with the Plan, shall be the legal, valid
8 and binding obligation of the General Unsecured Creditors' Liquidating Trust and
9 enforceable in accordance with its terms.

10 20. On the Effective Date, Frank A. Morrow is appointed as the initial
11 General Unsecured Creditors' Liquidating Trustee and Pacific Shores Development, LLC,
12 Tickets.com and Equinix, Inc. are appointed as the initial members of the General
13 Creditors' Supervisory Board, by all requisite action under law.

14 21. The Contested Claims Reserve Trust Agreement, substantially in the
15 form of Exhibit 5 to this Order, is approved in all respects.

16 22. The Debtors and the trustee of the Contested Claims Reserve are
17 authorized and directed to execute the Contested Claims Reserve Trust Agreement which,
18 upon execution in accordance with the Plan, shall be the legal, valid and binding
19 obligation of the Contested Claims Reserve and enforceable in accordance with its terms.

20 23. On the Effective Date, Frank A. Morrow is appointed as the initial
21 trustee for the Contested Claims Reserve by all requisite action under law.

22 24. On the Effective Date, the Class 7 Committee is hereby formed, and
23 Lang Gerhard representing West Highland Capital Inc. and Michael Katto are appointed
24 as the initial members of the Class 7 Committee, by all requisite action under law, which
25 membership may be adjusted by subsequent order of this Court.

26 25. The At Home Liquidating Trust, the Bondholders' Liquidating Trust and
27 the General Unsecured Creditors' Liquidating Trust are successors of the Debtors for the
28 purposes of Bankruptcy Code sections 1123, 1129 and 1145. All property of the Debtors

1 not distributed to the Bondholders' Liquidating Trust or the General Unsecured Creditors'
2 Liquidating Trust shall be distributed to the At Home Liquidating Trust and deemed
3 revested therein so that the At Home Liquidating Trust is deemed the Debtors' legal
4 successor with respect to all such property.

5 26. Neither At Home, the Bondholders' Committee, the General Creditors'
6 Committee, the Equity Committee, nor the At Home Liquidating Trust, the Creditor
7 Representatives, the Contested Claims Reserve or the Class 7 Committee, nor their
8 respective officers, directors, employees, attorneys, advisors, members, shareholders,
9 fiduciaries or agents (including any professionals retained by such persons), nor any of
10 their respective predecessors or successors, shall be subject to suit by or from any holder
11 of a Claim or Interest or any other entity for any act or omission in connection with, or
12 arising out of, the Chapter 11 cases, the pursuit of approval of the Disclosure Statement or
13 the solicitation of votes for or confirmation of the Plan or consummation or administration
14 of the Plan or the property to be distributed under the Plan, unless such suit shall be
15 commenced in all instances before the Bankruptcy Court, which Court shall have original
16 jurisdiction over all such suits; provided, however, that nothing in this Order or Article
17 12.C of the Plan shall prohibit or prevent any defendant in the Controlling Shareholders
18 Related Litigation or the Estate Litigation from arguing that such acts or omissions
19 constitute or support defenses to liability under such Litigation (or the amount or
20 existence of damages arising from such liability), nor prohibit or prevent the plaintiffs in
21 such Litigation from arguing that orders and/or rulings of the Bankruptcy Court in the
22 Chapter 11 Cases preclude any such defense.

23 27. Nothing in the Plan shall release the Debtors or any responsible person
24 from liability, if any, for the failure to file tax returns or pay tax liabilities to the
25 Commonwealth of Pennsylvania or the State of Texas.

26 28. Unless otherwise provided in the Plan or this Order, all injunctions or
27 stays provided for in the Chapter 11 Cases pursuant to sections 105(a) or 362 of the
28 Bankruptcy Code, or otherwise, and in existence on the Effective Date, including without

1 limitation any such injunctions or stays applicable to property of the Estates distributed to
2 the Liquidating Trusts under the Plan, shall remain in full force and effect until the closing
3 of the Chapter 11 Cases and shall not be vacated or otherwise affected by such
4 distribution to the Liquidating Trusts pursuant to the Plan.

5 29. The settlements of claims and defenses provided for in the Plan,
6 including Article 12.N. thereof, are hereby approved pursuant to Bankruptcy Rule 9019(a)
7 as just, equitable, reasonable, nondiscriminatory and good faith compromises of the
8 controversies and Claims resolved by such settlements and are binding on all entities
9 affected thereby.

10 30. Prior to the Effective Date, the Debtors' Responsible Person and, from
11 the Effective Date, the initial At Home Liquidating Trustee, Jacquelyn Crawford, shall be
12 deemed elected and appointed by all requisite action under law the sole board-appointed
13 officer and shareholder-appointed director for each of the Debtors and for all subsidiaries
14 of the Debtors for all purposes and in all respects, with all necessary and appropriate
15 power to act for, on behalf of and in the name of each of the Debtors and their respective
16 subsidiaries, with the same power and effect as if each of her actions in furtherance of her
17 duties as responsible person and as a board-appointed officer and shareholder-appointed
18 director for each of the Debtors and for all subsidiaries of the Debtors were explicitly
19 authorized by the appropriate board of directors or shareholders (as the case may be),
20 including without limitation the power to close bank accounts, enter into business
21 transactions within or without the ordinary course of business and authorize and benefit
22 from any insurance policies and rights of indemnification, commence and pursue
23 dissolution, winding up, bankruptcy or insolvency proceedings for any of the Debtors or
24 their respective subsidiaries under the laws or jurisdictions other than the United States of
25 America, to the extent necessary or appropriate, and to take any and all actions and
26 execute all documents and instruments as may be necessary or appropriate in connection
27 with such dissolution, winding up, bankruptcy or insolvency proceedings, subject only to
28 the responsibilities and requirements imposed upon the Debtors by the Bankruptcy Code

1 and other applicable law, with such appointment deemed effective as of May 1, 2002, and
2 with respect to all conduct taken while acting in such capacity, Ms. Crawford shall benefit
3 from each and every insurance policy obtained by or for the benefit of the officers or
4 employees of the Debtors or the At Home Liquidating Trust. Such authorization and
5 benefits shall also extend to any, each and every successor At Home Liquidating Trustee,
6 without reservation or limitation.

7 31. Prior to the Effective Date, the Debtors shall continue to wind down their
8 businesses subject to all applicable requirements of the Bankruptcy Code and the
9 Bankruptcy Rules. After the Effective Date, the At Home Liquidating Trust, the
10 Bondholders' Liquidating Trust, and the General Unsecured Creditors' Liquidating Trust
11 may operate their businesses and may use, acquire and dispose of property free of any
12 restrictions of the Bankruptcy Code or the Bankruptcy Rules. On the Effective Date, the
13 operations of the Debtors shall become the responsibility of the At Home Liquidating
14 Trust, which shall thereafter have responsibility for the management, control and
15 operation of thereof.

16 32. Per the First Amendment, Article 12.N of the Plan is deemed added to
17 the Plan, and the addition of such provision is approved under Bankruptcy Code section
18 1127.

19 33. On the Effective Date, each executory contract and unexpired lease that
20 exists between At Home and any person that was not assumed or rejected before the
21 Confirmation Date with the approval of the Bankruptcy Court, or for which At Home has
22 not filed a motion to assume or reject before the Confirmation Date, and which is not
23 otherwise provided for in the Plan or this Order, is hereby rejected. Entry of this
24 Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections
25 pursuant to section 365(a) of the Bankruptcy Code.

26 34. On the Effective Date, and pursuant to Article 10.D of the Plan, the
27 Debtors are authorized and directed to assume the insurance policies set forth on Exhibit
28 B to the Plan pursuant to section 365(a) of the Bankruptcy Code and to assign them to the

1 At Home Liquidating Trust, notwithstanding anything to the contrary in the Plan. The
2 Debtors are also authorized to, in the exercise of their sound business judgment, extend
3 and renew any or all such insurance policies and any or all such options thereunder. This
4 Court finds that each such assumption is in the best interest of At Home, the Estates and
5 all parties in interest in the Chapter 11 Cases and is a reasonable exercise of the Debtors'
6 business judgment. Unless otherwise determined by the Bankruptcy Court pursuant to a
7 Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are
8 required to cure any defaults of At Home existing as of the Confirmation Date with
9 respect to each such insurance policy set forth in Exhibit B to the Plan. To the extent that
10 the Bankruptcy Court determines otherwise with respect to any insurance policy, At
11 Home may seek the rejection of such insurance policy or other available relief.

12 35. Any Administrative Claim (other than a Fee Claim) shall become
13 Allowed only if by thirty (30) days after the Confirmation Date the holder of such Claim
14 files with the Bankruptcy Court and serves, in accordance with the Bankruptcy Code and
15 the Bankruptcy Rules, a motion requesting payment of such Administrative Claim and
16 only if and to the extent such Claim is Allowed by the Bankruptcy Court pursuant to a
17 Final Order.

18 36. A Fee Claim shall become Allowed only if the holder files a Fee
19 Application no later than forty-five (45) days after the Confirmation Date and only if and
20 to the extent such Claim is Allowed by the Bankruptcy Court.

21 37. As soon as practicable after the last date for filing administrative claims,
22 the Debtors shall establish the Senior Claims Reserve in an amount sufficient to satisfy the
23 Claims to be satisfied therefrom.

24 38. All Proofs of Claim with respect to Claims arising from the rejection of
25 executory contracts or unexpired leases, if any, must be filed with the Bankruptcy Court
26 within thirty (30) days after the date of entry of an Order approving such rejection. Any
27 Claims arising from the rejection of an executory contract or unexpired lease not filed
28 within such period will be forever barred from assertion against the Debtors, their Estates

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1 and property, and or the Liquidating Trusts. Unless otherwise ordered by the Bankruptcy
2 Court or provided in the Plan, all such Claims for which proofs of claim are required to be
3 filed will be, and will be treated as, General Unsecured Claims.

4 39. No provision of the Plan or this Order shall impair, enjoin or prohibit the
5 interpretation or enforcement by any holder of an Allowed Claim or Interest of any of the
6 obligations of the Debtors or the Liquidating Trusts under the Plan.

7 40. The requirements of the Plan are binding upon and govern the acts of all
8 persons including, without limitation, all holders of Claims, Senior Claims and interests,
9 all filing agents or officers, title agents or companies, recorders, registrars, administrative
10 agencies, governmental units and departments, agencies or officials thereof, secretaries of
11 state, and all other persons who may be required by law, the duties of their office, or
12 contract to accept, file, register, record or release any documents or instruments, or who
13 may be required to report or insure any title or state of title in or to any of the assets of the
14 Debtors, the At Home Liquidating Trust, the Bondholders' Liquidating Trust, the General
15 Unsecured Creditors' Liquidating Trust and the Contested Claims Reserve.

16 41. Except as otherwise provided in Bankruptcy Code section 1141(d)(3), on
17 and after the Confirmation Date, the provisions of the Plan shall bind any holder of a
18 Claim against or Interest in the Debtors and their respective successors and assigns.
19 Except as otherwise expressly provided in the Plan, and except in connection with the
20 enforcement of the terms of the Plan or any documents provided for or contemplated in
21 the Plan, all entities who have held, hold or may hold Claims against or Interests in the
22 Debtors or the Estates that arose prior to the Effective Date are permanently enjoined
23 from: (a) commencing or continuing in any manner, directly or indirectly, any action or
24 other proceeding of any kind against the Debtors, the Estates, the Liquidating Trusts, the
25 Contested Claims Reserve or any property of the Debtors, the Estates, the Liquidating
26 Trusts or the Contested Claims Reserve with respect to any such Claim or Interest; (b) the
27 enforcement, attachment, collection or recovery by any manner or means, directly or
28 indirectly, of any judgment, award, decree, or order against the Debtors, the Estates, the

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1 Liquidating Trusts, the Contested Claims Reserve or any property of the Debtors, the
2 Estates, the Liquidating Trusts or the Contested Claims Reserve, with respect to any such
3 Claim or Interest; (c) creating, perfecting or enforcing, directly or indirectly, any Lien or
4 encumbrance of any kind against the Debtors, the Estates, the Liquidating Trusts or the
5 Contested Claims Reserve, or any property of the Debtors, the Estates, the Liquidating
6 Trusts or the Contested Claims Reserve, with respect to any such Claim or Interest; and
7 (d) any act, in any manner, in any place whatsoever, that does not conform to or comply
8 with the provisions of the Plan with respect to such Claim or Interest. Nothing contained
9 in this Order shall impair any right of setoff or recoupment, or prohibit the holder of a
10 timely-filed proof of Claim or Interest from litigating its right to seek to have such Claim
11 or Interest declared an Allowed Claim or Interest and paid in accordance with the
12 distribution provisions of the Plan, or enjoin or prohibit the interpretation or enforcement
13 by the Claimant or Interest Holder of any of the obligations of the Debtors, the
14 Liquidating Trusts or the Contested Claims Reserve under the Plan.

15 42. The At Home Liquidating Trustee shall pay the retained professionals
16 who are entitled to reimbursement or allowance of fees and expenses from the Debtors'
17 estates pursuant to Bankruptcy Code sections 503(b)(2) through 503(b)(6), in cash, in the
18 amount awarded to such professionals by Final Order of the Bankruptcy Court on the later
19 of the Effective Date or the date upon which any order awarding fees and expenses
20 becomes a Final Order. Notwithstanding anything herein to the contrary, the holder of an
21 Allowed Fee Claim may be paid on such other date and upon such other terms as may be
22 agreed upon by that holder and the At Home Liquidating Trustee.

23 43. Until the entry of a Final Order closing the Bankruptcy Cases, this Court
24 shall retain jurisdiction over the At Home Liquidating Trust, the Bondholders' Liquidating
25 Trust, the General Unsecured Creditors' Liquidating Trust, the Contested Claims Reserve
26 and the Chapter 11 Cases for the purposes listed in Article 12.A of the Plan.

27 44. Within 7 days after entry of this Order, the Debtors shall mail to all
28 entities specified in Bankruptcy Rule 2002(f), (i), (j), and (k) notice of entry of this Order.

1 Within such time period, the Debtors shall also file with this Court and mail to all parties
2 in interest notice thereof, and notice of the last day for filing applications for the
3 allowance of Administrative Claims and Fee Claims. The notice described herein is
4 adequate and no other or further notice is necessary.

5 45. Claims created by the rejection of any executory contract or unexpired
6 lease (including claims under section 365(d)(3) of the Bankruptcy Code) must be served
7 on At Home and filed with this Court by the earlier of thirty (30) days after the
8 Confirmation Date or such earlier date previously set by order of this Court. Any Claims
9 not filed within such time will be forever barred from assertion against At Home and the
10 Estates. Unless otherwise ordered by this Court, all such Claims arising from the rejection
11 of executory contracts shall be treated as General Unsecured Claims under the Plan.

12 46. Notwithstanding any other provision of this Order or the Plan, including
13 without limitation § 12.N(vii) of the amended Plan:

- 14 (a) The objection to confirmation of the Plan filed by Microsoft
15 Corporation and MSLI, GP (collectively, "Microsoft") is withdrawn
16 as moot.
- 17 (b) Microsoft's Request for Allowance and Payment of Administrative
18 Expenses (the "Request") shall be treated as a motion pursuant to ¶
19 35 of this Order and shall be scheduled for a hearing to be set on
20 September 23, 2002.
- 21 (c) Pending resolution of the Request, the Debtors (or the At Home
22 Liquidating Trust, as appropriate) shall reserve for Microsoft's
23 asserted Administrative Claim in accordance with the terms of the
24 Plan.
- 25 (d) All rights and obligations of the Debtors and Microsoft arising under
26 or relating to the Microsoft Select Enterprise Agreement No. 01-
27 71024 and Enrollment No. 8166569, effective date December 28,
28 1999 (the "EA") shall be reserved and preserved and determined by

1 the Court in the context of the hearing to be set on September 23,
2 2002. Pending such determination, the EA shall neither be assumed
3 nor rejected by the Debtors.

4 47. This Order shall be deemed to constitute all approvals and consents
5 required, if any, by the laws, rules or regulations of any state or any other governmental
6 authority with respect to the implementation or consummation of the Plan and any other
7 documents, instruments or agreement (and any amendments or modifications thereto) and
8 any other acts referred to in, or contemplated by, the Plan or the Disclosure Statement.

9 48. Pursuant to section 1146(c) of the Bankruptcy Code, the issuance,
10 transfer or exchange of any security under the Plan or the making or delivery of any
11 instrument of transfer pursuant to, in implementation of or as contemplated by the Plan or
12 the revesting, transfer or sale of any real or personal property of the Debtors or their
13 estates pursuant to, in implementation of or as contemplated by the Plan shall not be taxed
14 under any federal, state or local law imposing a document recording tax, conveyance fee,
15 real estate transfer tax, intangibles or similar tax, mortgage tax, mortgage recording tax,
16 stamp tax, or similar tax or governmental assessment. All filing or recording officers,
17 wherever located and by whomever appointed, are hereby directed to accept for filing or
18 recording, and to file or record immediately upon presentation thereof, all instruments of
19 absolute or collateral transfer without payment of any recording tax, stamp tax, transfer
20 tax, or similar tax or governmental assessment (other than standard filing fees) imposed
21 by federal, state, or local law. Notice of entry of this Confirmation Order in the form
22 approved by the Court (i) shall have the effect of an order of the Court, (ii) shall constitute
23 sufficient notice of the entry of this Confirmation Order to such filing and recording
24 officers, and (iii) shall be a recordable instrument and shall be accepted by any recording
25 officer for filing and recording purposes, without further or additional orders,
26 certifications or other supporting documents, notwithstanding any contrary provision of
27 nonbankruptcy law. The Court specifically retains jurisdiction to enforce the foregoing
28 direction, by contempt or otherwise.

1 49. Any rights issued under, pursuant to or in effecting this Plan, and the
2 offering and issuance thereof by any party, including without limitation the Debtors, the
3 Creditor Representatives, the Contested Claims Reserve or the Disbursing Agents, shall
4 be exempt from section 5 of the Securities Act of 1933, if applicable, and from any state
5 or federal securities laws requiring registration for offer or sale of a security or registration
6 or licensing of an issuer or, or broker or dealer in, a security, and shall otherwise enjoy all
7 exemptions available for distributions of securities under a chapter 11 plan in accordance
8 with all applicable law, including without limitation section 1145 of the Bankruptcy Code.

9 50. The initial record date for determining the holders of Bondholder Claims
10 entitled to distributions under the Plan shall be the date that is ten (10) business days prior
11 to the Effective Date; subsequent record dates, if any, shall be determined by the
12 Bondholders' Liquidating Trustee as appropriate. The record date for determining the
13 holders of Claims and Interests in Class 7 entitled to distributions under the Plan (if any)
14 shall be the date that is ten (10) business days prior to the Effective Date.

15 51. Notwithstanding any contrary provision in the Bondholders' Liquidating
16 Trust Agreement (including without limitation paragraphs 2.2 or 9.8 thereof), the Plan or
17 any related document or this Order (a) the reserves established pursuant to the Plan for the
18 benefit of the defendants in the Controlling Shareholders Related Litigation shall not be
19 disbursed or transferred other than (i) as necessary for ordinary course investment
20 purposes, (ii) pursuant to further order of this Court (on notice to the affected parties) or
21 (iii) with the express consent of the applicable defendant and (b) the Bondholders'
22 Liquidating Trustee shall perform such obligations and duties and exercise such powers in
23 respect of such reserves, the Trust Assets and payments to such defendants that may be
24 required under the Plan as are necessary to fulfill the obligations of the Bondholders'
25 Liquidating Trust and its Trustee to such defendants under the Plan or any related
26 document. The reserves for AT&T's asserted Claims for interest on Administrative
27 Claims or on claims asserted to be Senior Indebtedness under the Bond Indentures shall be
28 established by the At Home Liquidating Trust or the Bondholders' Liquidating Trust, as

1 the case may be, in an amount as agreed by the parties or ordered by the Court prior to the
2 Effective Date.

3 52. Notwithstanding any other provision of this Order or of paragraph 1 of
4 the AT&T Stipulation, nothing in the AT&T Stipulation affects the rights of the holders of
5 Class 5d Claims or Class 7 Claims or Interests, except to the extent that the AT&T
6 Stipulation affects the treatment of reserves and any entitlement to interest accrued
7 thereon held on account of Senior Claims asserted by AT&T; and nothing in the AT&T
8 Stipulation shall have any effect on the General Unsecured Creditors' Liquidating Trust or
9 the Contested Claims Reserve other than the notice obligations of paragraph 21(c) of the
10 AT&T Stipulation.

11 53. Applicable case law permits one creditor or class of creditors to assign
12 money or proceeds of assets to another creditor or class of creditors.

13 54. One of the purposes of the absolute priority rule is to prevent general
14 unsecured creditors, taken as a whole, from being paid more than the full amount of all
15 general unsecured debt.

16 55. The Bankruptcy Code does not prevent trading of claims or assets (or
17 proceeds thereof) among creditors, as this is part of the negotiation process that occurs in
18 chapter 11 cases.

19 56. Equity should not expect to be paid, and has no right to a recovery, until
20 the bankruptcy estates generate distributable proceeds that exceed the aggregate amount
21 of all Allowed Unsecured Claims (plus interest and costs) taken as a whole.

22 57. Under the terms of the Committee Settlement Agreement, the
23 Bondholders' Committee and the General Creditors' Committee traded rights to proceeds
24 with each other in order to take into account the different risk profiles of the
25 constituencies of those committees. The General Creditors' Committee wanted prompt
26 and certain payment, and therefore gave up any interest in the Estate's significant yet
27 more speculative litigation embodied in the Controlling Shareholders Related Litigation
28 (except for a small interest in the proceeds of any Directors and Officers Liability

1 Insurance Policies) in exchange for the benefits it received under the Committee
2 Settlement Agreement. The Bondholders' Committee was willing to take the risk and
3 delay of pursuing the potentially more lucrative Controlling Shareholders Related
4 Litigation, and therefore gave up any interest in the Estate Litigation (except for a
5 percentage interest in recoveries beyond a negotiated threshold) in exchange for the
6 benefits it received under the Committee Settlement Agreement.

7 58. Holders of Allowed Interests are not disadvantaged by the Committee
8 Settlement Agreement (as modified by the First Amendment) because the General
9 Creditors' Committee and the Bondholders' Committee simply agreed to pool whatever
10 they were entitled to receive from the bankruptcy estates on account of their aggregate
11 Allowed Claims and divide those proceeds between Classes 5a and 5b on the one hand,
12 and Class 5d, on the other hand, pursuant to a negotiated agreement. The negotiated
13 agreement does not place additional debt ahead of the holders of Allowed Interests.

14 59. The Bankruptcy Code does not prohibit parties from entering into a
15 contract such as the Committee Settlement Agreement during the bankruptcy case. The
16 Committee Settlement Agreement has been approved on full notice to creditors and is
17 incorporated into the Plan as modified by the First Amendment.

18 60. The essence of the agreement set forth in the Committee Settlement
19 Agreement is nothing more than an agreement to divide the proceeds that each unsecured
20 creditor is otherwise entitled to receive ahead of any payments to the holders of equity.
21 Under that agreement, the parties transferred among themselves their existing rights to be
22 paid by the bankruptcy estates. The General Unsecured Creditors in Class 5d gave up
23 their interest in the proceeds of the Controlling Shareholders Related Litigation in
24 exchange for the Bondholders in Classes 5a and 5b both agreeing to a formula for sharing
25 Net Available Cash and giving up their interest in the Estate Litigation. Under the Plan as
26 now modified by the First Amendment, the distributions to Bondholders in Classes 5a and
27 5b are capped by the sum of the amount of the debt under the Indentures plus interest plus
28 costs of litigation plus the General Unsecured Creditors' Deficiency, if any. To the extent

1 there is a General Unsecured Creditors' Deficiency, the holders of Allowed Claims in
2 Class 5d have given up the right to full payment, and hence any right to payment from the
3 proceeds of the Controlling Shareholders Related Litigation. Under the Plan as now
4 modified by the First Amendment, the proceeds of the Controlling Shareholders Related
5 Litigation that would have otherwise been paid to the holders of Allowed Claims in Class
6 5d to satisfy such deficiency are instead paid to the Bondholders in Classes 5a and 5b.
7 This does not violate the absolute priority rule. Even though the Bondholders in Classes
8 5a and 5b might be paid more than the Allowed amounts of their Claims, this is
9 counterbalanced by the General Unsecured Creditors in Class 5d being paid less than the
10 Allowed amounts of their Claims. Any potential payments to the bondholders in excess
11 of their Allowed Claims plus interest and payment of costs are capped by an amount equal
12 to the General Unsecured Creditors' Deficiency and are only payable if there is such a
13 deficiency. After proceeds of the assets of the bankruptcy estates in an amount equal to
14 the aggregate amount of all Allowed Unsecured Claims plus interest have been distributed
15 to the holders of General Unsecured Claims, any remaining proceeds from the Controlling
16 Shareholders Related Litigation will be distributed to Class 6 (subordinated claims) and
17 Class 7 (equity). Therefore, the Plan (as modified by the First Amendment) is fair and
18 equitable with respect to the treatment of Class 5a and Class 5b vis a vis the holders of
19 Interests and does not disadvantage equity holders.

20 61. If any or all of the provisions of this Order are hereafter modified,
21 vacated or reversed by subsequent order of this or any other court, such reversal,
22 modification or vacation shall not affect the validity of the acts or obligations incurred or
23 undertaken under or in connection with the Plan prior to the Debtors' and the Liquidating
24 Trustees' receipt of written notice of any such order, nor shall such reversal, modification
25 or vacation of this Order affect the validity or enforceability of such act or such
26 obligations. Notwithstanding any reversal, modification or vacation of this Order, any
27 such act or obligation incurred or undertaken pursuant to and in reliance on this Order
28 prior to the effective date of such reversal, modification or vacation shall be governed in

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1 all respects by the provisions of this Order and the Plan and all documents, instruments
2 and agreements related thereto or any amendments or modifications thereto.

3 62. The failure to reference or discuss any particular provision of the Plan or
4 other exhibits to this Order shall have no effect on the validity, binding effect and
5 enforceability of such provision and such provision shall have the same validity, binding
6 effect and enforceability as every other provision of the Plan, it being the intent of the
7 Court that the Plan be confirmed in its entirety.

8 63. In the event of an inconsistency between the Plan and any other
9 agreement, instrument or document intended to implement the provisions of the Plan, the
10 provisions of the Plan shall govern unless otherwise expressly provided for in such
11 agreements, instruments or documents, provided that the Liquidating Trust Agreements
12 may not be amended or interpreted in a manner that would alter the respective rights of
13 the At Home Liquidating Trust, the Bondholders' Liquidating Trust, the General
14 Unsecured Creditors' Liquidating Trust and the Contested Claims Reserve, as set forth in
15 the Plan, without each party's express written consent. In the event of any inconsistency
16 between the Plan and any agreement, installment, or document intended to implement the
17 Plan and this Confirmation Order, the provisions of this Confirmation Order shall govern.
18 This Confirmation Order shall supersede any orders of the Court issued prior to the
19 Effective Date to the extent inconsistent herewith. This Court shall retain original and
20 exclusive jurisdiction to interpret and enforce this Order and to resolve any disputes
21 hereunder.

22 64. The provisions Bankruptcy Rules 3020(e) and 7062 shall not apply and
23 are waived by the Court for cause, and this Order shall take effect immediately and shall
24 not be stayed.

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27
28

Dated: August 15, 2002

THOMAS E. CARLSON

THE HONORABLE THOMAS E. CARLSON
UNITED STATES BANKRUPTCY JUDGE

Presented by:

Suzanne Uhland / SSM
Suzanne Uhland
O'MELVENY & MYERS LLP
Attorneys for At Home Corporation, et al.,
Debtors and Debtors in Possession

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