

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
:
Broadview Networks Holdings, Inc., et al.¹ : Case No. 12-13581 (SCC)
:
Debtors. : Jointly Administered
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**INTERIM ORDER AUTHORIZING PAYMENT OF SALES,
USE AND OTHER TAXES AND REGULATORY FEES**

Upon the motion (the "**Motion**") of the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**") for an interim order, pursuant to sections 105(a), 507(a)(8) and 541 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 6003 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), authorizing, but not directing, the Debtors to pay prepetition amounts owing in respect of prepetition sales, use and other taxes and regulatory fees; and upon consideration of the Motion and all of the pleadings related thereto, including the Declaration of Michael K. Robinson, President and Chief Executive Officer of Broadview Networks Holdings, Inc., in Support of Chapter 11 Petitions and First Day Pleadings; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of these estates, their creditors and

¹ The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Broadview Networks Holdings, Inc. (0798); (ii) A.R.C. Networks, Inc. (0814); (iii) ARC Networks, Inc. (4934); (iv) ATX Communications, Inc. (2245); (v) ATX Licensing, Inc. (9838); (vi) ATX Telecommunications Services of Virginia, LLC (3888); (vii) BridgeCom Holdings, Inc. (2965); (viii) BridgeCom International, Inc. (3985); (ix) BridgeCom Solutions Group, Inc. (3989); (x) Broadview Networks, Inc. (1082); (xi) Broadview Networks of Massachusetts, Inc. (8054); (xii) Broadview Networks of Virginia, Inc. (6404); (xiii) Broadview NP Acquisition Corp. (2734); (xiv) BV-BC Acquisition Corporation (7846); (xv) CoreComm-ATX, Inc. (0529); (xvi) CoreComm Communications, LLC (2077); (xvii) Digicom, Inc. (0777); (xviii) Eureka Broadband Corporation (6004); (xix) Eureka Holdings, LLC (1318); (xx) Eureka Networks, LLC (1244); (xxi) Eureka Telecom, Inc. (3720); (xxii) Eureka Telecom of VA, Inc. (5508); (xxiii) InfoHighway Communications Corporation (0551); (xxiv) Info-Highway International, Inc. (8543); (xxv) InfoHighway of Virginia, Inc. (1600); (xxvi) nex-i.com, inc. (7035); (xxvii) Open Support Systems LLC (9972); and (xxviii) TruCom Corporation (0714). The Debtors' executive headquarters' address is 800 Westchester Avenue, Rye Brook, NY 10573.

other parties-in-interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is granted on an interim basis to the extent set forth herein.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Debtors are authorized, but not directed, to remit all amounts owed for prepetition Trust Fund Taxes to the Applicable Authorities, in accordance with the Debtors' prepetition practice, including, but not limited to, the remittance of appropriate amounts to the Third-Party Payor.
4. The Debtors are authorized, but not directed, to pay the prepetition Regulatory Fees and Other Taxes, up to a maximum aggregate amount of \$768,000, in accordance with the Debtors' prepetition practice, including, but not limited to, the remittance of appropriate amounts to the Third-Party Payor.
5. The Debtors' banks are authorized and directed to honor prepetition wire transfer requests and checks issued by the Debtors to the Tax Payment Recipients in payment of prepetition Trust Fund Taxes, Regulatory Fees and Other Taxes that, as of the Petition Date, have not cleared or been transferred. The Debtors will provide the banks with a list of outstanding prepetition checks or wire transfers with respect to the Taxes within two (2) business days of the entry of the order authorizing such payments. To the extent the Debtors have not yet sought to remit payment to the Tax Payment Recipients, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment to the Tax Payment Recipients, to the extent necessary to pay the Trust Fund Taxes, Regulatory Fees and Other Taxes.

6. Nothing in this order or the Motion shall be construed as impairing or prejudicing the Debtors' rights to contest the amount, classification or allowability of any Trust Fund Taxes, Regulatory Fees or Other Taxes asserted in these cases.

7. Authorization to pay prepetition Trust Fund Taxes, Regulatory Fees and Other Taxes shall not create any additional obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay such Trust Fund Taxes, Regulatory Fees or Other Taxes, and nothing in this order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise affect the prepetition Trust Fund Taxes, Regulatory Fees or Other Taxes to the extent they are not paid.

8. Objections, if any, to the relief requested in the Motion on a final basis shall be set forth in a writing describing the particular basis therefor which shall be filed with the Court electronically in accordance with General Order M-242 by registered users of the Court's electronic case filing system and, by all other parties-in-interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served in accordance with General Order M-242 or otherwise so as to be actually received no later than **5:00 p.m. (Prevailing Eastern Time) on September 7, 2012** (the "**Objection Deadline**") by (i) the Chambers of the Honorable Shelley C. Chapman, One Bowling Green, New York, New York, 10004, (ii) the Debtors' counsel, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Rachel C. Strickland, Esq. and Jennifer J. Hardy, Esq.), (iii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, NY 10004 (Attn: Michael Driscoll, Esq. and Richard Morrissey, Esq.), (iv) counsel to the administrative agent under the Debtors' prepetition and postpetition revolving credit agreements, and (v) counsel to the Required

Consenting Noteholders.

9. In the event an objection is timely filed and served in accordance with this Interim Order, a hearing will be held on **September 14, 2012 at 10:00 a.m.**, and pending entry of an order following the conclusion of said hearing, the relief granted herein shall remain in effect on an interim basis.

10. The relief requested in the Motion is necessary to avoid irreparable harm to the Debtors, and timely entry of this Order is not prohibited by Bankruptcy Rule 6003(b).

11. Bankruptcy Rule 6004(a) is waived for the purposes of the Motion, and notwithstanding any applicability of Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

12. This Court shall retain jurisdiction with respect to any and all matters arising from or relating to the implementation or interpretation of this Interim Order.

Dated: August 23, 2012
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE