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U.S. BANKRUPTCY COURT  
PATRICIA GRAY, CLERK

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

In re  
WASHINGTON GROUP  
INTERNATIONAL, INC., et al.,  
  
Debtors.

Chapter 11  
Jointly Administered Under  
Case No. BK-N-01-31627-GWZ  
  
**ORDER FINDING WASHINGTON  
AGREEMENT IN VIOLATION OF 11  
U.S.C. § 1129 (b)(2)(B)(ii)**

On October 10, 2001, the confirmation hearing with respect to the Debtors' Second Amended Plan, as Modified (the "Plan") commenced before this Court in the above captioned cases. The issue heard on October 10-12, 2001, was whether or not the agreement of the Debtors with Dennis Washington, as set forth in Section 5.15 of the Debtors' Plan (the "Washington Agreement"), violates 11 U.S.C. § 1129(b)(2)(B)(ii) of the Bankruptcy Code, which codifies the Absolute Priority Rule. This matter originally came before this court pursuant to a Motion for Order Terminating the Exclusive Right of the Debtors to File and seek Termination of a Plan of Reorganization filed by the Official Unsecured Creditors' Committee (the "Committee") which Motion was based, in part, on the Washington Agreement. The Debtors responded by modifying the Plan to provide that, in the event this Court determined that the Washington Agreement violated the Absolute Priority Rule, the Washington Agreement would automatically be deleted from the Plan. In light of that modification the Court deferred consideration of the effect of the Washington Agreement to the confirmation hearing as the first matter to be heard. After

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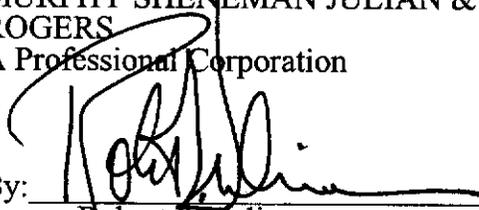
1 receiving testimony and evidence submitted by the parties, hearing the arguments of counsel, and  
2 weighing all the admitted evidence, and good cause appearing therefore;

3 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Washington  
4 Agreement, as set forth in Section 5.15 of the Debtors' Plan, violates 11 U.S.C. §  
5 1129(b)(2)(B)(ii) of the Bankruptcy Code. Separate Findings of Fact and Conclusions of Law  
6 are filed with this Order by the Court *and are incorporated herein.*

7  
8 DATED: Nov. 19, 2001

  
Honorable Gregg W. Zive  
United States Bankruptcy Court Judge

11 **Submitted by:**  
12 MURPHY SHENEMAN JULIAN &  
13 ROGERS  
14 A Professional Corporation

15 By:   
16 Robert A. Julian  
17 Patrick A. Murphy  
Attorneys for Official Unsecured  
Creditors' Committee

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27 SHENEMAN  
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