

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
CONEXANT SYSTEMS, INC., <i>et al.</i> , ¹)	Case No. 13-10367 (MFW)
)	
Debtors.)	Jointly Administered
)	Related to Docket No. 92

**ORDER AUTHORIZING THE DEBTORS TO (I) CONTINUE PREPETITION
INSURANCE COVERAGE, (II) MAINTAIN FINANCING OF INSURANCE
PREMIUMS (III) ENTER INTO A NEW PREMIUM FINANCING AGREEMENT**

Upon the motion (the “*Motion*”)² of the Debtors for entry of an order (this “*Order*”) pursuant to sections 105(a), 363, 364, 1107 and 1108 of the Bankruptcy Code, (a) authorizing, but not directing, the Debtors to (i) continue prepetition Insurance Policies, including renewal or modification of the Insurance Policies; (ii) pay unpaid prepetition premiums associated with the Insurance Policies; (iii) enter into a new financing agreement (the “*New Financing Agreement*”) with Premium Assignment Corporation (“*PAC*”), attached to the Motion as **Exhibit B**, which is made a part hereof by reference; (iv) grant PAC or its successor or assigns a first priority lien on and security interest in unearned premiums as described in the New Financing Agreement; and (v) pay PAC or its successor or assigns all sums due under the New Financing Agreement subject to the terms of this Order, and (b) authorizing financial institutions to receive, process, honor and pay all related checks and electronic payment requests for payment of the related

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors’ main corporate address is 4000 MacArthur Blvd., Newport Beach, California 92660

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

Insurance Policies, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and upon consideration of the First Day Declaration, the record of the Hearing and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted to the extent provided herein.
2. The relief provided in the Order is approved on a final basis.
3. The Debtors are authorized, but not directed, to: (a) continue the Insurance Policies uninterrupted and renew and/or modify the Insurance Policies; (b) to pay unpaid prepetition premiums associated with the Insurance Policies.
4. The Debtors are authorized, but not directed to (a) enter into the New Financing Agreement; (b) grant Premium Assignment Corporation ("*PAC*"), or its successor or assigns a first priority lien on and security interest in unearned premiums as described in the Agreement; and (c) pay PAC or its successor or assigns all sums due under the Agreement subject to the terms of this Order.
5. The liens, security interests and rights in unearned premiums granted under the

New Financing Agreement are senior to the lien of any DIP Lender in this Case and are senior to any claims under 11 U.S.C. §§ 503, 506(b) or 507(b), in each case solely to the extent of the amount of unearned premiums (which amount, for the avoidance of doubt, shall not exceed \$73,000).

6. If additional premiums become due to insurance companies under the policies financed under the New Financing Agreement, the Debtors and PAC or its successor or assigns are authorized to modify the New Financing Agreement as necessary to pay the additional premiums without the necessity of further hearing or order of this Court.

7. In the event PAC or its assigns fail to receive any payment due under the New Financing Agreement within fifteen (15) days of the due date, the automatic stay provided by 11 U.S.C. § 362 shall thereupon be terminated without the necessity of a motion, further hearing or order of this Court to permit PAC or its successor or assigns to exercise its rights and remedies under the New Financing Agreement, including without limitation the rights to: (a) cancel the financed insurance policy(ies), and (b) collect and apply unearned premiums payable under the financed policy(ies) to the balance owed under the New Financing Agreement. Additionally, the U.S. Trustee and the Committee of Unsecured Creditors shall be provided with three (3) business days notice of any policy cancellation.

8. If the collection and application of unearned premiums is insufficient to pay the balance owed under the New Financing Agreement, PAC or its successor or assigns may within 21 days after the collection and application of such unearned premiums file a proof of claim for the unsatisfied amount of any indebtedness under the New Financing Agreement notwithstanding the passage of any bar date for the filing of proofs of claim.

9. The rights of PAC or its successor or assigns under the New Financing

Agreement are fully preserved and protected and shall remain unimpaired by this Bankruptcy proceeding, and shall remain in full force and effect, notwithstanding the subsequent conversion of this proceeding to one under Chapter 7 or any other provision of the United States Bankruptcy Code.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Order or any payment made pursuant to this Order, with the exception of the New Financing Agreement, shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim against the Debtors, a waiver of the Debtors' rights to subsequently dispute such claim or the assumption or adoption of any agreement, contract or lease under section 365 of the Bankruptcy Code.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

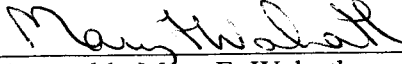
12. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Order.

13. Notwithstanding anything to the contrary contained herein, any payment to be made, or authorization contained, hereunder, with the exception of payments made pursuant to the New Financing Agreement subject to the terms of this Order, shall be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, or budget in connection therewith approved by this Court in these cases.

14. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry.

15. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Date: April 11, 2013
Wilmington, Delaware



Honorable Mary F. Walrath
United States Bankruptcy Judge