

ORIGINAL ORIGINAL

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

011494-TX

In re:

Network Plus Corp. and
Network Plus, Inc.,

Debtors.

) Chapter 11
)
) Case No. 02-10341 (PJW)
)
) Jointly Administered
)
) Bid Procedures Objection Deadline: February 18, 2002 at 12:00 noon
) Bid Procedures Hearing: February 21, 2002 at 11:30 a.m.
) Sale Objection Deadline: March 6, 2002 at 4:00 p.m.
) Auction Date: March 8, 2002 at 10:00 a.m.
) Sale Hearing Date: March 13, 2002 at 9:30 a.m.

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NOTICE OF MOTION OF DEBTORS FOR ORDERS (A) (i) APPROVING BIDDING PROCEDURES, INCLUDING BID PROTECTIONS, (ii) APPROVING THE FORM AND MANNER OF NOTICE OF (a) BIDDING PROCEDURES AND SALE HEARING AND (b) CURE AMOUNT NOTICES AND (iii) SCHEDULING SALE HEARING, (B) AUTHORIZING AND APPROVING (i) THE SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES AND (ii) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) AUTHORIZING DEBTORS TO SEND A NOTICE OF TERMINATION OF SERVICE

TO: Prepetition Lenders, counsel for the DIP Lenders, the Debtors' Thirty Largest Unsecured Creditors on a consolidated basis, all parties to Executory Agreements, all applicable federal, state and local taxing authorities, the Federal Communications Commission, the Department of Justice, all parties the Debtors believe may have an interest in purchasing some or all of the Debtors' assets, all parties the Debtors believe may have or may assert a lien on any of the Purchased Assets, the Office of the United States Trustee and all parties that have requested notices pursuant to Bankruptcy Rule 2002.

PLEASE TAKE NOTICE that the above-captioned Debtors have filed the attached **MOTION OF DEBTORS FOR ORDERS (A) (i) APPROVING BIDDING PROCEDURES, INCLUDING BID PROTECTIONS, (ii) APPROVING THE FORM AND MANNER OF NOTICE OF (a) BIDDING PROCEDURES AND SALE HEARING AND (b) CURE AMOUNT NOTICES AND (iii) SCHEDULING SALE HEARING, (B) AUTHORIZING AND APPROVING (i) THE SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES AND (ii)**

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THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) AUTHORIZING DEBTORS TO SEND A NOTICE OF TERMINATION OF SERVICE (the "Motion").

Objections to the proposed Bid Procedures, if any, must be filed on or before **February 18, 2002 at 12:00 noon (Eastern Time)** (the "Bid Procedures Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Wilmington, Delaware 19801.

At the same time, you must also serve a copy of the objection upon the undersigned counsel to the Debtors so that the objection is received on or before the Bid Procedures Objection Deadline.

A HEARING ON THE BID PROCEDURES WILL BE HELD ON FEBRUARY 21, 2002 AT 11:30 A.M. (EASTERN TIME) BEFORE THE HONORABLE PETER J. WALSH, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 KING STREET, WILMINGTON, DELAWARE 19801. ONLY PARTIES WHO HAVE FILED A TIMELY OBJECTION WILL BE HEARD AT THE HEARING.

PLEASE TAKE FURTHER NOTICE an auction for the sale of the Debtors' assets shall take place on **March 8, 2002 at 10:00 a.m. (Eastern Time)**, at Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, or such later time or other place as the Debtors may decide.

Objections to the proposed Sale, if any, must be filed on or before **March 6, 2002 at 4:00 p.m. (Eastern Time)** (the "Sale Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 5th Floor, Wilmington, Delaware 19801.

At the same time, you must also serve a copy of the objection upon the undersigned counsel to the Debtors so that the objection is received on or before the Sale Objection Deadline.

A HEARING TO APPROVE THE SALE WILL BE HELD ON MARCH 13, 2002 AT 9:30 A.M. (EASTERN TIME) BEFORE THE HONORABLE PETER J. WALSH, UNITED STATES BANKRUPTCY COURT FOR the DISTRICT OF DELAWARE, 824 KING STREET, WILMINGTON, DELAWARE 19801. ONLY PARTIES WHO HAVE FILED A TIMELY OBJECTION WILL BE HEARD AT THE HEARING.

Dated: February 13, 2002
Wilmington, Delaware

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Proposed Counsel for Debtors and Debtors In Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
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Network Plus Corp. and) Case No. 02- 10341 (PJW)
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**MOTION OF DEBTORS FOR ORDERS (A) (i) APPROVING BIDDING
PROCEDURES, INCLUDING BID PROTECTIONS, (ii) APPROVING THE FORM AND
MANNER OF NOTICE OF (a) BIDDING PROCEDURES AND SALE HEARING AND
(b) CURE AMOUNT NOTICES AND (iii) SCHEDULING SALE HEARING, (B)
AUTHORIZING AND APPROVING (i) THE SALE OF CERTAIN
OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND
ENCUMBRANCES AND (ii) THE ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C)
AUTHORIZING DEBTORS TO SEND A NOTICE OF TERMINATION OF SERVICE**

Network Plus Corp. and Network Plus, Inc., debtors and debtors in possession in these chapter 11 cases (collectively, the "Debtors"), seek by this motion (the "Motion") the entry of (A) an order pursuant to sections 363(b) and 105(a) of title 11, United States Code (the "Bankruptcy Code") and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (i) approving the Bidding Procedures (as hereinafter defined), including bid protections, (ii) approving the form and manner of notice of (a) the Bidding Procedures and the hearing on the sale of certain of the Debtors' assets (the "Sale Hearing") and (b) proposed cure payments and (iii) scheduling the Sale Hearing, (B) an order authorizing and approving (i) the sale of certain of the Debtors' assets free and clear of liens, claims and encumbrances pursuant to section 363(f) of the Bankruptcy Code (the "Sale") and (ii) the assumption and assignment of certain executory contracts and unexpired leases and (C) an

order authorizing the Debtors to send a notice of termination of service (the "Service Termination Notice"). In support thereof, the Debtors state as follows:

BACKGROUND

1. On February 4, 2002 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Debtors' chapter 11 cases, and no official committees have been appointed or designated.

2. Network Plus Corp. ("Parent") is a publicly traded Delaware corporation with approximately sixty-nine (69) million shares of common stock held directly by approximately 350 registered shareholders, and approximately 250,000 shares of Series A cumulative convertible preferred stock held directly by approximately twelve (12) registered shareholders, with each class of shares likely held indirectly through many more holders as some of such registered shareholders are financial institutions which may hold such shares in "street name" on behalf of any number of individual investors. Parent's shares of common stock are traded on the NASDAQ market (Ticker: NPLS).

3. Network Plus, Inc. ("Network Plus"), a wholly-owned subsidiary of Parent and Parent's primary asset, is a Massachusetts corporation and is the only Debtor with operations. Network Plus operates an expansive telecommunications network that allows Network Plus to provide local telephone service, high speed data services, ISP services and web and data hosting services to small and medium business customers in Connecticut, Florida, Georgia, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania and Rhode Island, with significant market penetration in several of these states. In addition, Network Plus operates an expansive long distance telecommunications network through which long

distance telephone service, international telephone service and toll free service is provided to businesses located throughout the continental United States.

4. The Debtors serve approximately 75,000 customers (including a number of hospitals, trial courts, universities, religious organizations and many other public service and charitable organizations) representing in excess of 300,000 local access lines and 300,000 long distance access lines and, just prior to the Petition Date, employed approximately 1,000 employees located throughout a number of states, with approximately 600 employees based at their headquarters in Randolph, Massachusetts. For the three (3) months and the nine (9) months ended September 30, 2001, the Debtors reported revenues of approximately \$76,284,000 and \$224,528,000, respectively. For the fiscal quarter ended September 30, 2001, the Debtors reported a year to date net loss of approximately \$28,785,000, but a positive EBITDA of \$100,000 for the quarter ended.

5. Although the Debtors suffered losses in each quarter since their initial public offering in June of 1999, the Debtors continued to meet their business plan, developed and expanded their network infrastructure, product offerings and information technology systems and continued to increase the number of local and long distance lines that they provided to customers. The general decline in the telecommunications industry and the decrease in demand for data and international services, however, resulted in the Debtors suffering losses which were slightly greater, and revenues which were lower, than projected in the second and third quarters of 2001. These shortfalls resulted in the Debtors tripping certain financial covenants under their Credit and Guaranty Agreement, dated as of September 27, 2000 (as amended, supplemented or otherwise modified, the "Credit Facility"), by and among the Debtors, the lenders party thereto

from time to time (the “Lenders”) and Fleet National Bank as administrative and collateral agent (the “Agent”).

6. During this time, the Debtors also engaged in discussions with the Lenders to reset, in light of such market conditions, certain financial covenants and other terms of the Credit Facility and to provide the Debtors with the additional necessary funding. In connection with such discussions, the Debtors agreed to retain an investment banker to assist the Debtors in locating and obtaining additional capital through asset sales and/or equity investments. The Debtors promptly retained UBS Warburg LLC (“UBS”) in early December 2001. Since that time, active discussions have occurred with potential financial and strategic buyers for the Debtors’ business and/or assets. The Debtors negotiated an extension of the previous financial covenant waivers through January 31, 2002. The extension also provided the Debtors with access to an additional \$3 million in funds to support the Debtors’ operations through the end of such period.

7. Despite restructuring their work force, modifying their network cost structure and exiting unprofitable business lines, the Debtors have been unable to obtain outside of chapter 11 the necessary funding to meet their ongoing expenses, including paying their employees and their vendors. Without the needed funding and as the Debtors received notices from critical service providers that service to and connection with the Debtors would be terminated, the Debtors feared that their customers could lose their “dial tone” service and concluded that, to preserve and protect the interests of creditors, shareholders and other interested parties, and more importantly, to protect the health, safety and welfare of the hundreds of thousands of individuals who rely on the Debtors for daily telephone service, including emergency E911 services, they had to file for bankruptcy protection.

THE DEBTORS' OPERATIONS IN CHAPTER 11

8. Following a hearing on February 8, 2002 (the "First Day Hearing"), this Court entered orders approving the relief requested in the Debtors' "first day" motions, including an Interim Order (I) Authorizing Secured Postpetition Financing on Superpriority Basis Pursuant to 11 U.S.C. § 364, (II) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (III) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 363 and 364, and (IV) Scheduling Final Hearing Pursuant to Bankruptcy Rule 4001(c), which funding is necessary to support the Debtors' efforts to preserve their estates and maximize their value through, inter alia, an auction for the sale of the Debtors' business and/or assets, to meet public welfare requirements and to maintain a core workforce intact.

9. To assist the Debtors in their sale efforts and to satisfy the closing conditions for the DIP facility with the Debtors' senior secured postpetition lenders (the "DIP Lenders"), the Debtors intend to file an application to approve the retention of PricewaterhouseCoopers Securities Corp. as an "auction manager" ("PWCS") and Alvarez & Marsal as a crisis manager. The Debtors have been attempting, and PWCS has continued such efforts, to market for sale the Debtors' business and assets. The continuing depressed state of the telecommunications industry has made this task a formidable one. Nonetheless, PWCS and the Debtors are contacting dozens of potential purchasers, including both strategic and financial investors (including those potential purchasers that expressed interest in, and/or conducted due diligence with respect to, the Debtors' business or assets prior to the Petition Date). The Debtors also have received expressions of interest from some potential purchasers.

10. Based on their financial exigencies and the need to maximize the value of their estates for the benefit of creditors and to transition customers to a new provider of telecommunications services as soon as possible, the Debtors have determined that the best way

to achieve these goals and minimize further losses is through an immediate auction of any or all of the Debtors' assets, including possible sales of various subsets of the Debtors' assets to multiple bidders. The Debtors propose that in submitting any purchase offer, prospective purchasers utilize the form of asset purchase agreement annexed to this Motion as Exhibit A (the "Acquisition Agreement"), marked to show the specific terms of each such bidder's proposal, including identifying the specific assets such bidder proposes to buy (the "Purchased Assets") and the specific executory contracts and unexpired leases such bidder proposes to request the Debtors to assume and assign to it (the "Assigned Agreements").

RELIEF REQUESTED

11. In addition, so that the auction of the Debtors' assets can proceed in an orderly manner, the Debtors have determined that it is in the best interest of their creditors, their estates and their customers to seek, and are hereby seeking, entry of an order approving: (i) procedures governing competitive bidding (as set forth on Exhibit B to this Motion, the "Bidding Procedures") for the Debtors' assets, including bid protections, (ii) the form and manner of notices of (A) the Bidding Procedures and the Sale Hearing (substantially the form set forth on Exhibit C to this Motion, the "Sale Notice") and (B) the proposed cure payments in respect of, and the possible assumption and assignment of, certain executory contracts and unexpired leases that the Debtors may seek to assume and assign (the "Executory Agreements") in connection with a Sale (substantially in the form of Exhibit D to this Motion, the "Cure Notice"), (ii) the Debtors' request for scheduling of the Sale Hearing and (iii) the Debtors' request to send a Service Termination Notice to implement termination of service and to cease operations if the Debtors believe, in their business judgment, that it is in the best interests of their estates, creditors and interest holders, including, if the Debtors do not receive qualified bids for certain assets. Accordingly, the Debtors have filed this Motion seeking such relief.

OVERVIEW OF BIDDING PROCEDURES

12. The proposed Bidding Procedures set forth an auction process that is typical for transactions of this type. As an initial matter, in order for an interested party to qualify for bidding at the auction, such party must, by the close of business on March 6, 2002 (the "Bid Deadline"), have provided the Debtors with a letter of intent, which, at a minimum, specifies (A) the purchase price range, (B) that the bidder has delivered a good faith earnest money deposit equal to 10% of the maximum proposed purchase price at the time of execution of the Acquisition Agreement, (C) assets to be excluded, (D) liabilities to be assumed, (E) the structure and financing of the transaction (including financial information sufficient to demonstrate such party's ability to finance and consummate such transaction), (F) any anticipated regulatory approvals, the time frame for obtaining such approvals and any anticipated obstacles and (G) any additional closing conditions. A party that has provided all of these items and that the Debtors have determined has demonstrated the financial capability to be able to consummate the Sale within the necessary time frame, or as to which the Debtors have agreed, after consultation with counsel to the DIP Lenders, the Debtors' prepetition secured bank lenders (the "Prepetition Lenders") and any Creditors' Committee, to waive such criteria, is a "Qualified Bidder".

13. To the extent that any proposal submitted by a Qualified Bidder proposes a closing date which is not within ten (10) days after the entry of the Sale Order (the "Interim Financing Date"), then such bid must also contain an acceptable proposal for providing the Debtors with interim financing for the period from the Interim Financing Date through the closing date. If there are no Qualified Bidders, then the Debtors, if they believe, in their business judgment, that is in the best interest of their estates, creditors and interest holders, may send a Service Termination Notice of and implement a wind-down of their operations.

14. The Debtors propose to provide to each bidder due diligence access to the Debtors' business, including access to any data rooms, on-site inspections, management (as may be scheduled by the Debtors) and such other matters as a bidder may reasonably request and as to which the Debtors, in their sole discretion, may agree. Prior to such access, a bidder must have executed and delivered to the Debtors a confidentiality agreement reasonably acceptable to the Debtors.

15. The Debtors have proposed 5:00 p.m. on March 6, 2002, as the deadline by which competing bids must be received by the Debtors, PWCS, Hale and Dorr LLP and Young Conaway Stargatt & Taylor, LLP (co-counsel to the Debtors), Milbank, Tweed, Hadley & McCloy LLP (counsel to the agent for the Prepetition Lenders and the DIP Lenders), and counsel to any Creditors' Committee appointed in these Chapter 11 cases. The Debtors may extend the Bid Deadline, but shall not be obligated to do so.

16. To participate in the bidding process, a Qualified Bidder must submit a letter stating that such bidder offers to purchase all or any portion of the Purchased Assets upon the terms and conditions set forth in a copy of the Acquisition Agreement attached to such letter, marked to show those amendments and modifications to the Acquisition Agreement, including price, terms, assets to be acquired and liabilities to be assumed, that the Qualified Bidder proposes (a "Marked Agreement"). Such letter must also specify that such bid is irrevocable until 48 hours after the closing of the sale of the Purchased Assets. A Qualified Bidder shall accompany its bid with written evidence of a commitment for financing or other evidence of ability to consummate the transaction, including provision for pre-closing funding and must otherwise comply with the requirements of paragraph 12 above. The Debtors will consider a bid only if the bid is received by the Bid Deadline, provided however, that the Debtors reserve the

right to waive any or all of these requirements, after consultation with counsel for the DIP Lenders, the Prepetition Lenders and any Creditors' Committee.

17. A bid received from a Qualified Bidder that meets the above requirements is a "Qualified Bid." A Qualified Bid will be valued based upon various factors, including the net value provided by such bid (including, without limitation, consideration of any cure amounts which will have to be paid by the Debtors), the likelihood and timing of consummating such transaction, and the effect on the Debtors' ability to otherwise meet its obligations to provide a Service Termination Notice to non-acquired customers and wind down the unsold portion of its business.

18. If the Debtors determine that a Qualified Bidder has submitted a Qualified Bid on or before the Bid Procedures Hearing with terms and conditions, as set forth in a Marked Agreement, that are acceptable to the Debtors, and such Qualified Bidder has requested certain bid protections (collectively, the "Bid Protections"), and if the Debtors determine in the exercise of their business judgment that granting the Bid Protections will promote competitive bidding and help maximize the value of the Debtors' estates, then the Debtors shall file and serve a notice, substantially in the form annexed hereto as Exhibit E, describing the Bid Protections for which approval will be sought at the Bid Procedures Hearing (the "Bid Protection Notice") upon counsel for the DIP Lenders, counsel for the Prepetition Lenders, counsel to any Creditors' Committee and United States Trustee as soon as practicable, or if time does not permit such notice, announcing such request at the Bid Procedures Hearing. Any Bid Protection Notice shall specify with particularity the bid protections the Debtors seek to grant to such Qualified Bidder.

19. The Court has scheduled the Bid Procedures Hearing for 11:30 a.m. on February 21, 2002.

20. The Sale of the Purchased Assets will be on an "as is, where is" basis, without representations or warranties of any kind, nature or description by the Debtors, their agents or estates except as set forth in the Acquisition Agreement and, with respect to a Qualified Bidder, to the extent set forth in a Marked Agreement. Upon consummation of the Sale, all of the Debtors' right, title and interest in the Purchased Assets shall be transferred to the successful purchaser(s) free and clear of all interests, liens, claims and encumbrances pursuant to Section 363(f) of the Bankruptcy Code.

21. Following receipt of all bids, the Debtors shall conduct an auction (the "Auction") with respect to the Purchased Assets and provide to all Qualified Bidders the opportunity to submit additional bids at the Auction. The Auction shall take place at 10:00 a.m. (Eastern Standard Time) on March 8, 2002, at Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, or such later time or other place as the Debtors shall notify the Qualified Bidders who have submitted Qualified Bids and expressed their intent to participate in the Auction, as set forth above, but in no event shall the Auction occur later than the date that is one day prior to the Sale Hearing scheduled in the Bidding Procedures Order or otherwise by the Bankruptcy Court (as such date may be adjourned from time to time by the Debtors or by the Bankruptcy Court). Only Qualified Bidders will be eligible to participate at the Auction. The Debtors, at their option, may provide copies of any Qualified Bid or Qualified Bids that the Debtors believe are the highest or otherwise best offer to all Qualified Bidders who intend to participate in the Auction by 9:00 a.m. on the day of the Auction.

22. Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Debtors determine is relevant, the Debtors, in their sole discretion, may conduct the Auction in the manner they

determine will achieve the maximum value for the Purchased Assets and will be in the best interest of the Debtors, their estates and creditors. The Debtors may adopt rules for bidding at the Auction, that, in the Debtors' business judgment, will better promote the goals of the bidding process and that are not inconsistent with any of the provisions of the Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court entered in connection herewith. Prior to the start of the Auction, the Debtors will inform the Qualified Bidders participating in the Auction of the manner in which the Auction will be conducted.

23. As soon as practicable after the conclusion of the Auction, the Debtors, in consultation with their financial advisors, and after consultation with counsel to each of any Creditors' Committee, the Prepetition Lenders and the DIP Lenders, shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale, and (ii) identify the highest or otherwise best offer(s) for the Purchased Assets at the Auction (the "Successful Bid(s)", and the bidder(s) making such bid(s), the "Successful Bidder(s)"). At the Sale Hearing, the Debtors shall present the Successful Bid(s) to the Bankruptcy Court for approval. A bid shall be accepted by the Debtors only when it has been approved by the Bankruptcy Court.

24. The Court has scheduled the Sale Hearing for March 13, 2002 at 9:30 a.m. At the Sale Hearing, the Debtors will seek entry of an order, among other things, authorizing and approving the Sale to the Successful Bidder(s), as determined by the Debtors in accordance with the Bidding Procedures, pursuant to the terms and conditions set forth in the applicable Marked Agreement submitted by the Successful Bidder(s) and as may be acceptable to the Debtors. The

Sale Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the Sale Hearing.

25. The Debtors propose that following the Sale Hearing at which the Bankruptcy Court approves the sale of the Purchased Assets to one or more Successful Bidders, if any such Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the next highest or otherwise best Qualified Bid(s), as disclosed at the Sale Hearing, shall be deemed to be the Successful Bid(s) and the Debtors may effectuate such sale(s) without further order of the Bankruptcy Court.

26. Under the proposed Bidding Procedures, the Debtors may (a) determine in their business judgment, which Qualified Bid(s) are the highest or otherwise best offer(s) and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that, in the Debtors' sole discretion, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale; or (iii) contrary to the best interests of the Debtors, their estate and creditors. **The Debtors shall not be required to accept any bid(s) and may elect, in their sole discretion, to exclude or withdraw from the Auction any or all property or assets.**

27. At or before the Sale Hearing, the Debtors may impose such other terms and conditions as they may determine to be in the best interests of their estates, their creditors and other parties in interest; provided, however, that such additional terms and conditions shall not be inconsistent with the Bidding Procedures order.

SALE NOTICE

28. The Debtors propose that within two (2) business days of the entry of the Bidding Procedures Order, the Debtors (or their agents) shall serve by first-class mail, postage prepaid, a Sale Notice substantially in the form annexed to the Motion as Exhibit C upon the Notice

Parties.¹ Prior to the filing of their petitions in these chapter 11 cases, the Debtors had been engaged during the last several months in efforts to market for sale the Debtors' entire business. The Debtors believe that they have contacted most of the parties which would likely express an interest in acquiring all or any portion of the Debtors' assets. Based on these prepetition and postpetition marketing efforts and considering the costs, the Debtors submit that there is little if any benefit to their estates in publishing notice of the auction and request that such notice be waived and the notice as provided herein be deemed sufficient.

ASSUMPTION AND CURE AMOUNT NOTICES

29. The Debtors propose that within two (2) business days after the entry of the Bidding Procedures Order, the Debtors shall cause a notice (the "Cure Amount Notice") substantially in the form of the notice attached to the Motion as Exhibit D to be sent to each non-debtor party to an Executory Agreement. Any objection to the assumption and assignment of an Executory Agreement or to the proposed cure payment amount with respect to the assumption and assignment of any Executory Agreement shall be filed and served upon the Debtors' counsel so as to be received no later than March 6, 2002.²

30. If no objections are received, then the cure amounts set forth in the Cure Amount Notice shall be binding upon the nondebtor party to the Executory Agreements for all purposes in this case and will constitute a final determination of total cure amounts required to be paid by the Debtors in connection with the assignment to, and assumption by, the successful bidder(s). In addition, each nondebtor contracting party in connection with an Executory Agreement shall

¹ The Notice Parties shall include counsel for the Prepetition Lenders, counsel for the DIP Lenders, counsel for any Creditors' Committee, all parties to Executory Agreements, all applicable federal, state and local taxing authorities, the Federal Communications Commission, the Department of Justice, all parties the Debtors believe may have an interest in purchasing some or all of the Debtors' assets, all parties the Debtors believe may have or may assert a lien on any of the Purchased Assets, the Office of the United States Trustee and all parties that have requested notices pursuant to Bankruptcy Rule 2002.

² In the event that there are any Executory Agreements that remain unsold or unassigned at the conclusion of the bidding process or the Auction, the Debtors reserve the right to request authority at or prior to the Sale Hearing to reject any or all of such Executory Agreements, as they may then be valueless and burdensome to the Debtors' estates.

be forever barred from objecting to the cure information set forth in the Cure Amount Notice, including, without limitation, the right to assert any additional cure or other amounts with respect to the Executory Agreements. If a timely objection is received, the hearing to consider any objections to the proposed Cure Amount Notice will be held on a date to be established by the Court.

31. The Debtors request that any party failing to object to the proposed transactions be deemed to consent to the treatment of its Executory Agreements under section 365 of the Bankruptcy Code and this motion. See Hargrave v. Township of Pemberton (In re Tabone, Inc.), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, creditor deemed to consent); Pelican Homestead v. Wooten (In re Gabel, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same). Moreover, the Debtors request that each such party be deemed to consent to the assumption and assignment of its unexpired lease notwithstanding any anti-alienation provision or other restriction on assignment. See 11 U.S.C. §§ 365(c)(1)(B), (e)(1)(A)(ii) and (f).

BASIS FOR RELIEF

32. The Debtors submit that the Bidding Procedures, as described above, are fair, reasonable and the best means to ensure that the Debtors obtain the highest and/or best offer for the Purchased Assets.

33. To compensate a Qualified Bidder for serving as a "stalking horse" whose bid will be subject to higher or better offers, the Debtors may seek approval of the Bid Protections in the event a Qualified Bidder submits an offer conditioned on receiving Bid Protections and the Debtors determine that granting Bid Protections will promote competitive bidding or will otherwise help the Debtors maximize the sale price for the Purchased Assets. In such case, the Debtors will, if time permits before the Bid Procedures Hearing, file and serve a Bid Protection

Notice requesting approval of the Bid Protections at the Bid Procedures Hearing, or otherwise announce such request at the Bid Procedures Hearing.

34. The Debtors further submit that approval of the Sale Notice, the Cure Amount Notice, the Assumption Notice and the request for the scheduling of the Sale Hearing are appropriate to facilitate the Sale.

APPLICABLE AUTHORITY

35. Section 363 of the Bankruptcy Code provides that the Debtors, "after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). The implementation of bidding procedures for the sale of substantially all of the assets of a debtor is outside the ordinary course of business, and the approval of such bidding procedures is subject to court approval under Bankruptcy Code section 363(b).

36. To approve the use, sale or lease of property outside the ordinary course of business, this Court need only determine that the Debtors' decision is supported by "some articulated business justification." See e.g., Fulton State Bank v. Schipper, 933 F.2d 513, 515 (7th Cir. 1991); Committee of Equity Sec. Holders v. Lionel Co. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983); see also Stephens Ind. Inc. v. McClung, 789 F.2d 386, 389-90 (6th Cir. 1986); In re Abbott Dairies of Pa., Inc., 788 F.2d 143, 145-47 (3d Cir. 1986); In re Telesphere Communications, Inc., 179 B.R. 544, 552 (Bankr. N.D. Ill. 1999); In re Delaware & Hudson Ry. Co., 124 B.R. 169, 175-76 (D. Del. 1991).

37. Once the Debtors articulate a valid business justification, "[t]he business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.'" In re S.N.A. Nut Company, 186 B.R. 98 (Bankr. N.D. Ill. 1995); In re

Integrated Resources, Inc., 147 B.R. 650, 656 (S.D.N.Y. 1992); In re Johns-Manville Corp., 60 B.R. 612, 615-16 (Bankr. S.D.N.Y. 1986) ("a presumption of reasonableness attaches to a Debtor's management decisions.").

38. Indeed, when applying the "business judgment" rule, courts show great deference to the debtor's decision-making. See Summit Land Co. v. Allen (In re Summit Land Co.), 13 B.R. 310, 315 (Bankr. D. Utah 1981). Thus, this Court should grant the relief requested in this Motion if the Debtors demonstrate a sound business justification therefor. See Schipper, 933 F.2d at 515; In re Lionel Com., 722 F.2d at 1071; In re Delaware Hudson Ry. Co., 124 B.R. 169 at 179.

39. The Bidding Procedures are designed to encourage competitive bidding in an orderly manner to maximize value for the Debtors' estates for their creditors, customers and employees. The proposed procedures contain terms typical for a transaction of this nature, and the adoption of the Bidding Procedures represents a sound exercise of the Debtors' business judgment.

40. The Debtors have sound business justifications for seeking approval of the Bidding Procedures and the Sale at this time. As described in connection with the Debtors' motion for debtor-in-possession financing and use of cash collateral, the Debtors believe it is in the best interests of their estates, creditors, customers and employees to commence an auction process immediately, as the Debtors have limited funding and resources, to try to maximize the value of their assets, meet public welfare requirements and maintain a core workforce. While the Debtors have made significant progress in reducing expenses, it is questionable whether they will be able to continue operating beyond the period of this proposed bidding process without additional funding, which is not forthcoming. In addition, the sale of the Debtors' business

and/or assets provides a realistic means for continuing services to the Debtors' customers with minimal interruption and inconvenience. Absent a sale, the Debtors would have to cease operations and wind down their affairs, leaving customers scrambling to find alternative service providers. For these reasons, the Debtors have determined, based upon their business judgment, that the best option for maximizing the value of their estates for the benefit of their creditors, customers, employees and other parties in interest is through a sale of the Purchased Assets pursuant to the Bidding Procedures. Approval of the Sale Notice and the Cure Amount Notice, the scheduling of the Sale Hearing and the authorization of the Debtors' right to send the Service Termination Notice in the manner provided herein will facilitate the Sale, and the Debtors thus request that this related relief be granted.

BID PROTECTIONS

41. Bidding incentives such as the Bid Protections encourage a potential purchaser to invest the requisite time, money and effort to negotiate with the Debtors and perform the necessary due diligence attendant to the acquisition of the Purchased Assets, despite the inherent risks and uncertainties of the chapter 11 process. Historically, bankruptcy courts have approved bidding incentives similar to the Bid Protections under the "business judgment rule," which proscribes judicial second-guessing of the actions of a corporation's board of directors taken in good faith and in the exercise of honest judgment. See, e.g., In re 995 Fifth Ave. Assocs., L.P., 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989) (bidding incentives may "be legitimately necessary to convince a white knight to enter the bidding by providing some form of compensation for the risks it is undertaking") (internal quotation marks and citation omitted).

42. More recently, the Third Circuit established standards for determining the appropriateness of bidding incentives in the bankruptcy context. In Calpine Corp. v. O'Brien Envtl. Energy, Inc., 181 F.3d 527 (3d Cir. 1999), the court held that even though bidding

incentives are measured against a business judgment standard in nonbankruptcy transactions, the administrative expense provisions of Bankruptcy Code section 503(b) govern in the bankruptcy context. Accordingly, to be approved, bidding incentives must provide some benefit to the Debtors' estates. See id. at 533.

43. The O'Brien court identified at least two instances in which bidding incentives may provide benefit to the estate. First, benefit may be found if "assurance of a break-up fee promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited." Id. at 537. Second, where the availability of bidding incentives induces a bidder to research the value of the Debtors business and submit a bid that serves as a minimum or floor bid on which other bidders can rely, "the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which [the Purchased Assets are] sold will reflect [their] true worth." Id.

44. In the event the Debtors determine that granting Bid Protections to a Qualified Bidder will encourage competitive bidding and enhance the Sale process, the Debtors will present evidence at the Bid Procedures Hearing to establish that the applicable criteria for their approval are satisfied, whether evaluated under the "business judgment rule" or the Third Circuit's "administrative expense" standard. The Debtors submit that the Bid Protections will be the product of extended good faith, arms-length negotiations between the Debtors and the relevant bidder, that the Bid Protections will be fair and reasonable in amount and reasonably intended to compensate for the risk to such Qualified Bidder of being used as a "stalking horse."

45. Further, the Debtors believe that the potential availability of Bid Protections will encourage competitive bidding, and will encourage a Qualified Bidder to submit a Marked Agreement seeking these protections. The Bid Protections thus may help "induce a bid that

otherwise would not have been made and without which bidding would [be] limited." O'Brien, 181 F.3d at 537. Such a bid will provide a minimum bid on which other bidders can rely, thereby "increasing the likelihood that the price at which [Purchased Assets will be] sold will reflect [their] true worth." Id.

46. In sum, the Debtors' ability to offer the Bid Protections will enable them to ensure the sale of the Purchased Assets to a contractually-committed bidder at a price the Debtors believe to be fair while, at the same time, providing them with the potential of even greater benefit to the estates.

**SALE FREE AND CLEAR OF
LIENS, CLAIMS AND ENCUMBRANCES**

47. In accordance with section 363(f) of the Bankruptcy Code, a debtor in possession may sell property under section 363(b) "free and clear of any interest in such property of an entity other than the estate" if one of the following conditions is satisfied:

- a. applicable nonbankruptcy law permits sale of such property free and clear of such interests;
- b. such entity consents;
- c. such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- d. such interest is in bona fide dispute; or
- e. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

See 11 U.S.C. § 363(f); In re Elliot, 94 B.R. 343, 354 (E.D. Pa. 1988) (section 363(f) written in disjunctive; court may approve sale "free and clear" provided at least one of the subsections is met).

48. In order to facilitate the sale of the Debtors' business and/or assets, the Debtors require authorization to sell them free and clear of any and all liens or interests that may be

asserted, with such liens to attach to the sale proceeds, except to the extent a purchaser agrees to purchase and take title to such assets subject to such liens.

49. All liens on the Debtors' assets will be satisfied or will attach to the proceeds of sale of such assets with the same force, effect and priority as such liens have on such assets, subject to the rights and defenses, if any, of the Debtors and any party in interest with respect thereto. Accordingly, the Debtors submit that the sale of their assets free and clear of liens, claims and encumbrances satisfies the statutory prerequisites of section 363(f) of the Bankruptcy Code.

ASSUMPTION AND ASSIGNMENT OF EXECUTORY AGREEMENTS

50. To facilitate and effect the sale(s) of the Debtors' business and/or assets, the Debtors also seek to assume certain Executory Agreements or assign them to the purchaser(s) of the assets to the extent required. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts and unexpired leases subject to the approval of the Bankruptcy Court:

(a) Except as provided in ... subsections (b), (c) and (d) of this section, the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor.

(b)(1) If there has been a default in an executory contract or unexpired lease of the debtor the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee:

(A) cures, or provides adequate assurance that the trustee will promptly cure such default;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease. ...

(f)(2) The trustee may assign an executory contract or unexpired lease of the debtor only if --

(A) the trustee assumes such contract or lease in accordance with the provisions of this section; and

(B) adequate assurance of future performance by the assignee of such contract or lease is provided, whether or not there has been a default in such contract or lease.

See 11 U.S.C. §§ 365(a), (b)(1), (f)(2). Accordingly, Section 365 authorizes the proposed assumptions and assignments, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided.

51. The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." See Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.), 103 B.R. 524, 538 (Bankr. D.N.J. 1989); see also In re Natco Indus., Inc., 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent); In re Bon Ton Rest. & Pastry Shop, Inc., 53 B.R. 789, 803 (Bankr. N.E. Ill. 1985) ("although no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.").

52. Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. In re Bygaph, Inc., 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of a lease from debtor has financial resources and has expressed a willingness to devote sufficient funding to business in order to give it strong likelihood of succeeding; chief determinant of adequate assurance is whether rent will be paid).

53. In connection with the Sale Hearing, the Debtors will provide evidence that all requirements for the assumption and/or assignment of applicable Executory Agreements will be satisfied. It is an express condition of the Bidding Procedures that each bidder submit with its bid sufficient financial and other information so that the Debtors may assess the bidder's compliance with section 365. The Debtors will provide all parties to Executory Agreements with notice of the possible assumption and assignment of their agreements and an opportunity to be heard. Thus, the Debtors respectfully submit that by the conclusion of the Sale Hearing, assumption and assignment of the Executory Agreements should be approved.

**TERMINATION OF OPERATIONS
AND RELATED AGREEMENTS**

54. In the event that the Debtors are unable to sell their business and/or assets, in order to meet their regulatory obligations and to avoid potential claims against the Debtors and their Prepetition Lenders, the Debtors request authorization to implement a termination of service and to cease operations with respect to unsold assets if the Debtors believe, in their business judgment, that it is in the best interests of their estates, creditors and interest holders (including if no bids acceptable to the Debtors are received by March 6, 2002). To implement a wind-down of their operations, the Debtors may be required to send Service Termination Notices. Because sending the Services Termination Notices and the cessation of their operations may constitute a use of estate assets outside the ordinary course of business, the Debtors seek Court authority to implement the wind-down.

55. As discussed above, the business judgment standard governs transactions outside the ordinary course of business. The sales process described in this motion represents a balance between the Debtors' belief that selling their business and/or their assets will result in the greatest proceeds for the estates while, at the same time, the Debtors recognize that they are losing

money. Accordingly, the Debtors request authority to wind down operations if, in their business judgment, they determine that the benefits to their creditors and customers from the Debtors' meeting their regulatory obligations outweighs the potential benefits that continued operations will have on a potential sale through the auction process, or if certain assets are not the subject of any Qualified Bid by the Bidding Deadline.

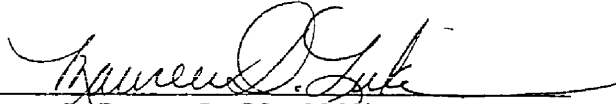
56. Based upon these factors and those discussed above, the Debtors have demonstrated a sound business justification for the proposed sale of the Purchased Assets pursuant to the Bidding Procedures. Similarly, the Debtors have articulated good and sufficient reasons for approving the form and manner of notice of the Sale Hearing and the Cure Amount Notice, the scheduling of the Sale Hearing and the authorization of the Debtors' right to send the Service Termination Notice in the manner provided herein.

WHEREFORE, the Debtors respectfully request that this Court enter an order (i) granting the relief requested herein and (ii) such other and further relief as is just and proper.

Dated: February 13, 2002
Wilmington, Delaware

[Signatures on next page.]

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EXHIBIT A

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of _____, 2002 by and between Network Plus, Inc., a Massachusetts corporation ("Seller"), and _____, a _____ corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is engaged in the business of providing local and long distance telephone, high speed data, web and data hosting services (the "Business");

WHEREAS, Seller commenced a case (the "Case") under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code") on February 4, 2002 by filing a voluntary petition with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, the sale of assets and liabilities of the Business is subject to the supervision and control of Seller subject to the approval of the Bankruptcy Court; and

WHEREAS, Seller wishes to sell to Buyer and Buyer wishes to purchase from Seller certain assets and to assume from Seller certain liabilities of the Business, pursuant to, inter alia, sections 363 and 365 of the Bankruptcy Code and the applicable Federal Rules of Bankruptcy Procedure.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the parties, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS

1.1. Defined Terms. As used herein, the terms below shall have the following respective meanings:

"Affiliate" shall have the meaning set forth in (i) Rule 12b-2 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or (ii) Section 101 of the Bankruptcy Code.

"Agreement" shall mean this Asset Purchase Agreement (together with all schedules and exhibits referenced herein).

"Approval Order" shall have the meaning ascribed to such term in Section 7.1 (b).

"Business Day" shall mean any day other than a Saturday, Sunday or a legal holiday on which banking institutions in the State of New York are not required to open.

"Communications Licenses" shall mean the FCC Licenses and the State PUC Licenses.

"FCC" shall mean the Federal Communications Commission.

"FCC Licenses" shall mean all licenses, permits, certificates, franchises, consents, waivers, registrations or other authorizations issued by the FCC held by the Seller.

"Governmental Entity" shall mean any (i) federal, state, local, municipal, foreign or other government; (ii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); or (iii) body exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitral tribunal.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and any successor law and the rules and regulations thereunder or under any successor law.

"Law" means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, principle of common law, judgment enacted, promulgated, issued, enforced or entered by any Governmental Entity, or other requirement or rule of law.

"Liabilities" shall mean, as to any Person, all debts, adverse claims, liabilities, commitments, responsibilities, and obligations of any kind or nature whatsoever, direct, indirect, absolute or contingent, of such Person, whether accrued, vested or otherwise, whether known or unknown and whether or not actually reflected, or required to be reflected, in such Person's balance sheets or other books and records.

"Lien" shall mean any claim, pledge, option, charge, hypothecation, easement, security interest, right-of-way, encroachment, mortgage, deed of trust or other encumbrance.

"Material Adverse Effect" shall mean a material adverse effect on the Business, taken as a whole, or any development which could be reasonably expected to delay or prevent the consummation of the transactions contemplated hereby or which could be reasonably expected to materially and adversely affect the value of the Assets, taken as a whole.

"Network Equipment Assets" shall mean the network equipment assets and facilities used by the Seller in the Business set forth on Schedule 2.1(c).

"Order" shall mean any judgment, order, injunction, writ, ruling, decree, stipulation or award of any Governmental Entity or private arbitration tribunal.

"Person" shall mean an individual, a partnership, a joint venture, a corporation, a business trust, a limited liability company, a trust, an unincorporated organization, a joint stock company, a labor union, an estate, a Governmental Entity or any other entity.

"Post-Petition" shall mean any time after the commencement of the Case.

"Proceeding" shall mean any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

"Representative" shall mean, with respect to any Person, such Person's officers, directors, employees, agents and representatives (including any investment banker, financial advisor,

accountant, legal counsel, agent, representative or expert retained by or acting on behalf of such Person or its subsidiaries).

"Sale Hearing" shall mean the hearing to be scheduled and conducted by the Bankruptcy Court to consider approval and entry of the Approval Order.

"State PUC" shall mean any state and local public service and public utilities commission having regulatory authority over the Business, as conducted in any given jurisdiction.

"State PUC Licenses" shall mean all licenses, permits, certificates, franchises, consents, waivers, registrations or other regulatory authorizations from the appropriate governmental authority in each applicable jurisdiction including, without limitation, the State PUCs held by the Seller.

"Tax" or "Taxes" shall mean any federal, state, county, local, foreign and other income, profits, gains, net worth, sales and use, ad valorem, gross receipts, business and occupation, license, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, unemployment or other tax, any penalty, addition to tax and interest on the foregoing.

"Transfer Tax" or "Transfer Taxes" shall mean any federal, state, county, local, foreign and other sales, use, transfer, conveyance, documentary transfer, recording or other similar tax, fee or charge imposed upon the sale, transfer or assignment of property or any interest therein or the recording thereof, and any penalty, addition to tax or interest with respect thereto, but such term shall not include any tax on, based upon or measured by, the net income, gains or profits from such sale, transfer or assignment of the property or any interest therein.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any successor Law, and the rules and regulations thereunder and under any successor law.

1.2. Other Defined Terms. The following additional terms shall have the meanings defined for such terms in the Sections set forth below:

<u>Term</u>	<u>Section</u>
Agreement	Recitals
Allocation Schedule	3.3
Alternative Procedure	6.6(b)
Assets	2.1
Assumed Agreements	2.5
Assumed Contracts	2.1(e)
Assumed Liabilities	2.3
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Business	Recitals
Buyer	Recitals
Case	Recitals
Claims	2.2(e)

Closing	3.1(a)
Closing Date	3.1(a)
Continued Employee	6.6(b)
Cure Amounts	2.5
Damages	9.2(a)
Earnest Money Deposit	3.2
Employees	6.6
Equipment	2.1 (c)
Equipment Leases	2.1 (b)
ERISA Affiliate	2.4 (f)
Excluded Assets	2.2
Excluded Liabilities	2.4
FCC Consents	6.18(a)
Indemnified Party	9.2(c)
Indemnifying Party	9.2(c)
Management Agreement	3.1(d)
Notice	9.2(c)
Other Regulatory	6.18(c)
Approvals	
Owned Real Property	2.1(a)
Purchase Price	3.2
Real Property Leases	2.1(a)
Seller	Recitals
State PUC Consents	6.18(b)

1.3. Other Definitional Provisions.

(a) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both singular and plural forms of such terms.

II. TRANSFER OF ASSETS AND LIABILITIES

2.1. Assets to be Sold. Subject to Section 2.2, the other provisions of this Agreement and the Approval Order, at Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire, and accept all of the Seller's right, title and interest in each of the following assets and rights (collectively, the "Assets"):

(a) The leases or subleases and all amendments thereto under which Seller is a lessor or lessee or sublessor or subleasee of real property relating to the operation of the Business (collectively, the "Real Property Leases") which relate to the operation of the Business and any real property which is owned by such Seller and which is used in the operation of the Business (the "Owned Real Property"), each as set forth on Schedule 2.1(a);

(b) The equipment leases which relate to equipment used in the operation of the Business (the "Equipment Leases"), as set forth on Schedule 2.1(b);

(c) The furniture, fixtures, equipment, machinery, supplies and other tangible personal property owned by Seller including the Network Equipment Assets, and pertaining exclusively to the operation of the Business (collectively, the "Equipment"), and all warranties, if any, express or implied, existing for the benefit of such Seller from third parties relating to the Equipment to the extent transferable;

(d) Any licenses, certificates, permits, franchises and other authorizations of any Governmental Entity relating to the Assets and to the operation of the Business which are listed on Schedule 2.1(d), to the extent the same are transferable or assignable;

(e) The contracts and agreements of the Seller pertaining to and necessary for operation of the Business in the ordinary course (collectively, the "Assumed Contracts"), as set forth on Schedule 2.1(e) (or, to the extent any such Assumed Contracts are not freely transferable by the holder of such Assumed Contracts, all right, title and interest of the Seller in such Assumed Contracts to the full extent such right, title and interest may be transferred);

(f) Accounts receivable of the Business arising after the Closing Date;

(g) Any books, records, files or papers of Seller, whether in hard copy or computer format, relating exclusively to the other Assets or to the operation of the Business, including, without limitation, management information systems or software owned by the Seller, engineering information, sales and promotional literature, manuals and data, sales and purchase correspondence, personnel and employment records, customer lists, vendor lists, catalogs, research material, URLs, source codes, technical information, trade secrets, technology, know-how, specifications, designs, drawings, processes and quality control data, if any, or any other intangible property and applications for the same;

(h) Any of Seller's right, title or interest in or to any of Seller's patents, patent registrations, patent applications, trademarks, trademark registrations, trademark applications, tradenames, copyrights, copyright applications, or copyright registrations relating exclusively to the Business, except to the extent expressly permitted pursuant to the terms and conditions of this Agreement and the rights to sue for, and remedies against, past, present and future infringements thereof and the rights of priority and protection of interests therein under applicable laws;

(i) Any Communications Licenses of Seller (or, to the extent any such Communication Licenses are not freely transferable by the holder of such Communication Licenses, all right, title and interest of the Seller in such Communications Licenses to the full extent such right, title and interest may be transferred);

(j) Any computer software programs and databases used by the Sellers, whether owned, licensed, leased, or internally developed (in each case, subject to applicable restrictions); and

(k) Any telephone numbers or electronic mail addresses used by the Sellers in the conduct of the Business.

2.2. Excluded Assets. The Assets shall not include any of Seller's right, title or interest in or to any assets or properties of Seller that are not expressly enumerated in Section 2.1, including, without limitation, any of Seller's right, title or interest in or to any of the following (collectively, the "Excluded Assets"):

- (a) Cash and cash equivalents or similar type investments, uncollected checks, bank accounts, certificates of deposit, treasury bills and other marketable securities;
- (b) Any security, vendor, utility or other deposits;
- (c) Any contracts or agreements other than the Assumed Contracts, the Equipment Leases or the Real Property Leases;
- (d) Any assets and any rights under any plan or any agreement relating to employee benefits, employment or compensation of Seller or its respective employees;
- (e) All rights, demands, claims, actions and causes of action (collectively, the "Claims") that Seller or any of its Affiliates may have against any third party, including any Governmental Entity, for causes of action based on chapter 5 of the Bankruptcy Code and for refund or credit of any type with respect to Taxes accrued with respect to periods ending on or prior to the Closing Date;
- (f) All Claims which Seller or any of its Affiliates may have against any third Person with respect to any other Excluded Assets;
- (g) All Claims (other than warranty Claims relating to Network Equipment Assets or Equipment referred to in Section 2.1(c)) which Seller or any of its Affiliates may have against any Person with respect to any Asset;
- (h) Any insurance policy, insurance claims and proceeds, except as otherwise provided herein;
- (i) The capital stock of the Seller and its Affiliates;
- (j) The corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books and other documents relating to the organization and existence of the Seller as a corporation; and
- (k) Accounts receivable of the Business arising prior to or on the Closing Date.

2.3. Liabilities to be Assumed by Buyer. Upon the transfer of the Assets on the Closing Date, Buyer shall assume and pay when due and discharge the following Liabilities (collectively, the "Assumed Liabilities"):

- (a) Liabilities arising out of the ownership of the Assets and the operation of the Business by Buyer or any other Person, including, without limitation, Liability for personal injury of customers or employees;

(b) Liabilities under the Real Property Leases assumed under this Agreement arising from and after the Closing;

(c) Liabilities under the Assumed Contracts;

(d) Liabilities under the Equipment Leases;

(e) Liabilities under accounts payable related to the Business, together with any interest accrued thereon;

(f) Liabilities related to the termination of employment after the Closing of any Person by Buyer who becomes an employee of Buyer, including, but not limited to any Liability arising under the WARN Act;

(g) Liabilities related to earned but unpaid salary, accrued but unpaid vacation days, accrued but unpaid medical and dental expenses and other accrued welfare benefits of employees or former employees of Seller employed in connection with the Business and, whether or not accrued, any obligations under Section 4980B of the Internal Revenue Code to provide continuation of group medical coverage with respect to any Employee or other qualified beneficiary that occur after the Closing;

(h) Liabilities for any and all Transfer Taxes due as a result of the transactions contemplated by this Agreement;

(i) Liabilities under the capitalized leases and long-term debt obligations listed on Schedule 2.3(i), to the extent such items are not otherwise assumed as Real Property Leases, Assumed Contracts or Equipment Leases; and

(j) All liabilities and obligations under the Management Agreement.

2.4. Excluded Liabilities. Except as otherwise set forth in this Agreement, Buyer shall not assume, and shall be deemed not to have assumed, any Liabilities except for the Assumed Liabilities, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller other than the Assumed Liabilities (collectively, the "Excluded Liabilities"), including, but not limited to, those Liabilities set forth below:

(a) Any Liabilities which arise, whether before, on or after the commencement of the Case, out of, or in connection with, the Excluded Assets;

(b) Any Liabilities under the Assumed Contracts or account payables, to the extent that the event or state of facts giving rise to such Liability does not occur Post-Petition;

(c) Any Liabilities under the Equipment Leases or the Real Property Leases, to the extent that the event or state of facts giving rise to such Liability does not occur Post-Petition;

(d) Any Liabilities arising out of, or in connection with, any Proceedings arising out of the operation of the Business to the extent that the event or state of facts giving rise to such Liability does not occur Post-Petition;

(e) Any Liabilities arising out of or in connection with any indebtedness of Seller or any of its Affiliates to their lenders or to their vendors of goods and services delivered or furnished to Seller that does not occur Post-Petition;

(f) Except for Liabilities set forth in Section 2.3(f), any Liabilities attributable to, incurred in connection with, arising from, or relating to, any collective bargaining agreement, or any bonus, incentive, deferred compensation, medical, health, life or other insurance, welfare, fringe benefit, severance, termination, retention, consulting, change of control, employment, stock option, stock appreciation right, stock purchase, phantom stock or other equity-based, performance, pension, retirement or any other incentive, compensation or benefit plan, program, policy, agreement or arrangement (including, but not limited to, any "employee benefit plan" as defined in Section 3(3) of ERISA), sponsored, maintained, contributed to or required to be contributed to at any time by Seller or any trade or business which together with Seller would be deemed (or at any time would have been) a "single employer" within the meaning of section 4001 of ERISA (each, an "ERISA Affiliate"), for the benefit of any current or former employee, officer, director, agent or consultant of Seller, or any ERISA Affiliate, whether formal or informal and whether legally binding or not that does not occur after the Closing; and

(g) Any Liabilities for income Taxes of Seller and any other Taxes of Seller (other than Transfer Taxes referred to in Section 2.3(h)), including, but not limited to, all Taxes attributable to, incurred in connection with or arising out of the operation of the Business including those which are not due or assessed until after the Closing Date but which are attributable to any period (or portion thereof) ending on or before the Closing Date.

2.5. Real Property Leases, Equipment Leases and Assumed Contracts. From and after the Closing Date until 120 days thereafter and pursuant to section 365 of the Bankruptcy Code, Seller shall assume and assign to Buyer the Real Property Leases, the Equipment Leases and the Assumed Contracts (collectively, the "Assumed Agreements"). The Assumed Agreements are listed on Exhibit ___ hereto, as amended from time to time pursuant to this section 2.5, and are identified by the date of the Assumed Agreement (if available), the other party or parties to the Assumed Agreement and the address of such party or parties (if available), as the case may be. From and after the date hereof until 120 days following the Closing Date, the Buyer shall have the right, in its sole discretion, to make additions and deletions to the list of Assumed Agreements by delivering a marked copy of such list to Sellers, and such changes shall be effective immediately upon receipt by Sellers. The cure amounts, as determined by the Bankruptcy Court, if any (the "Cure Amounts"), necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Real Property Leases, the Equipment Leases and the Assumed Contracts, shall be paid by [Seller/Buyer].

III. CLOSING

3.1. Closing; Transfer of Possession; Certain Deliveries.

(a) Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Article VIII hereof, the closing of the transactions contemplated herein (the "Closing") shall take place on _____, 2002 or on such other date as the parties hereto shall mutually agree, such date to be as soon as practicable following entry of the Approval Order. The Closing shall be held at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, at 10:00 a.m., local time,

unless the parties hereto otherwise agree. The actual time and date of the Closing are herein called the "Closing Date".

(b) At the Closing, Seller shall deliver to Buyer:

- (i) A duly executed bill of sale in form and substance reasonably satisfactory to Buyer;
- (ii) A copy of the Approval Order for Seller;
- (iii) The officer's certificates required to be delivered pursuant to Section 7.2(c) hereof; and
- (iv) All other instruments of conveyance and transfer, in form and substance reasonably acceptable to Buyer, as may be necessary to convey the Assets to Buyer or Buyer's designee.

(c) At the Closing, Buyer shall deliver to Seller:

- (i) The Purchase Price;
- (ii) All certificates required by all relevant taxing authorities that are necessary to support any claimed exemption from the imposition of Transfer Taxes;
- (iii) The officer's certificate required to be delivered pursuant to Section 7.3(c) hereof;
- (iv) An executed assumption agreement in form and substance reasonably satisfactory to Sellers pursuant to which Buyer shall assume all Assumed Liabilities; and
- (v) All other instruments of transfer, in form and substance reasonably acceptable to Seller, as may be necessary to assume the Assumed Liabilities.

(d) Management Transition. The Seller and the Buyer shall enter into a management agreement substantially in the form of Exhibit __ (the "Management Agreement") on the date hereof. Pursuant to the Management Agreement, the Buyer shall agree to fund the continued operations of the Business as set forth in the Management Agreement and shall act as manager of the operations in each state or jurisdiction for which a FCC Consent or State PUC Consent has not been obtained on behalf of Seller and at the direction of Seller and consistent with all applicable laws and regulations. At such time as any State PUC Consent and any FCC Consent shall have become final orders, the corresponding Communications Licenses shall be promptly transferred in a manner reasonably requested by the Buyer.

3.2. Purchase Price. In consideration for the Assets, and subject to the terms and conditions of this Agreement, Buyer shall assume the Assumed Liabilities as provided in Section 2.3 and at the Closing shall pay to Seller in immediately available funds, by wire transfer to an account or accounts designated by Seller, an amount in cash equal to \$_____ (the

"Purchase Price"); provided, however, Buyer shall pay to Seller in immediately available funds, by wire transfer to an account or accounts designated by Seller an earnest money deposit equal to 10% of the Purchase Price (the "Earnest Money Deposit") upon the date hereof. The Earnest Money Deposit shall be deducted from the total Purchase Price payable at the Closing. If Buyer terminates this Agreement in breach of Section 8.1 hereof or if Seller terminates this Agreement pursuant to Section 8.1(b) (provided the Closing has not occurred due to a breach by Seller) or (d), then Seller shall be entitled to retain the Earnest Money Deposit and shall have no further obligations to Buyer. If Buyer and Seller terminate this Agreement pursuant to Section 8.1(a), if Buyer terminates this Agreement pursuant to Section 8.1(b), (c) or (d) hereof, provided that Buyer is not in breach of this Agreement, or if Seller terminates this Agreement pursuant to Section 8.1(b) (provided the failure to have a Closing on the date specified is not due to a breach by Buyer) or 8.1(c), then Seller shall return the Earnest Money Deposit to Buyer.

3.3. Allocation of Purchase Price. Seller shall, within 120 days after the Closing Date, prepare and deliver to Buyer a schedule (the "Allocation Schedule") allocating the Purchase Price and the Assumed Liabilities among the Assets in accordance with Treas. Reg. 1.1060-1 T (or any comparable provisions of state or local tax law) or any successor provision. Buyer will have the right to raise reasonable objections to the Allocation Schedule within 10 days after its receipt thereof, in which event Buyer and Seller will negotiate in good faith to resolve such objections. If Buyer and Seller cannot mutually resolve Buyer's reasonable objections to the Allocation Schedule within 10 days after Seller's receipt of such objections, such dispute with respect to the Allocation Schedule shall be presented to an accounting firm to be mutually selected by Buyer and Seller, on the next day for a decision that shall be rendered by such accounting firm within thirty (30) calendar days thereafter and shall be final and binding upon each of the parties. The fees, costs and expenses incurred in connection therewith shall be shared in equal amounts by Buyer and Seller. Buyer and Seller each shall report and file all Tax returns (including amended Tax returns and claims for refund) consistent with the Allocation Schedule, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any taxing authority or any other proceedings). Buyer and Seller shall cooperate in the filing of any forms (including Form 8594) with respect to such allocation, including any amendments to such forms required with respect to any adjustment to the Purchase Price, pursuant to this Agreement. Notwithstanding any other provisions of this Agreement, the foregoing agreement shall survive the Closing Date without limitation.

IV. REPRESENTATIONS AND WARRANTIES OF SELLER

Buyer specifically acknowledges and agrees to the following with respect to the representations and warranties of Seller:

A. Buyer will not have any recourse to Seller or to any of the officers or directors of Seller in the event any of the representations and warranties made herein or deemed made are untrue as at any time of expression thereof. The only remedy for a breach of such representations and warranties shall be Buyer's option, under certain circumstances, not to close in accordance with and subject to the limitations in Article VIII hereof and, without limiting the foregoing, Buyer shall have no remedy whatsoever after the Closing for any such breach.

B. Buyer has conducted its own due diligence investigations of the Business or has waived its right to conduct such due diligence.

Seller hereby represents and warrants to Buyer as follows:

4.1. Existence, Good Standing and Power. Seller is a corporation validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has all requisite power and authority to own and operate its Assets to be sold hereunder. Subject to entry of the Approval Order, Seller has all requisite power and authority to execute and deliver this Agreement and the other documents and instruments to be executed and delivered by such Seller and to perform its obligations hereunder and thereunder.

4.2. Authority. Subject to entry of the Approval Order, the execution, delivery and performance of this Agreement and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Seller.

4.3. Execution and Binding Effect. This Agreement has been duly and validly executed and delivered by Seller and constitutes and, following the entering of the Approval Order, this Agreement and the transaction contemplated hereby will constitute (assuming in each case the due and valid authorization, execution and delivery thereof by the other parties thereto), a valid and legally binding obligation of Seller enforceable against Seller in accordance with its respective terms.

4.4. Third Party Approvals. Except for (i) any approvals required in order to comply with the provisions of the HSR Act, if necessary, (ii) the Approval Order and (iii) any other third party approvals, including any FCC or State PUC approvals, as are reflected on Schedule 4.5 hereto, the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of, or filings with, any third Persons which have not been obtained by Seller.

4.5. Brokers and Finders. Seller has engaged the firm of _____ to assist them in connection with the matters contemplated by this Agreement and will be responsible for the fees and expenses of such firm.

4.6. Limitations on Seller's Representations and Warranties. Buyer represents and hereby covenants and shall accept the Assets "AS IS," "WHERE IS" and "WITH ALL FAULTS" on the date hereof and on the Closing Date, subject to the terms and conditions of Articles VII and VIII of this Agreement. Except for the representations and warranties contained in this Agreement, Seller makes no other express or implied representation or warranty, including, without limitation, representations or warranties as to the condition of the Assets, their contents, the income derived or potentially to be derived from the Assets or the Business, or the expenses incurred or potentially to be incurred in connection with the Assets or the Business. Seller is not, and will not be, liable or bound in any manner by express or implied warranties, guarantees, statements, promises, representations or information pertaining to the Assets or the Business, made or furnished by any broker, agent, employee, servant or other person representing or purporting to represent Seller, unless and to the extent the same is expressly set forth in this Agreement.

V. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1. Existence, Good Standing and Power. Buyer is a corporation validly existing and in good standing under the laws of the State of _____ and has all requisite power and authority to own, lease and operate the property it now owns, leases and operates. Buyer has all requisite power and authority to conduct its business as presently conducted, to execute and deliver this Agreement and the other documents and instruments to be executed and delivered by Buyer pursuant hereto and to perform its obligations hereunder and thereunder.

5.2. Authority. The execution, delivery and performance of this Agreement and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Buyer.

5.3. Execution and Binding Effect. This Agreement has been duly and validly executed and delivered by Buyer and constitutes (assuming, in each case, the due and valid authorization, execution and delivery thereof by the other parties thereto), a valid and legally binding obligation of Buyer, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

5.4. Third Party Approvals. Except for (i) any approvals required in order to comply with the provisions of the HSR Act, if necessary, and (ii) any other third party approvals as are reflected on Schedule 5.5 hereto, the execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of, or filings with, any third Persons which have not been obtained by the Buyer.

5.5. Brokers and Finders. Other than as disclosed on Schedule 5.6, Buyer has not employed any broker or finder or incurred any liability for any brokerage fees, commissions, finders, or similar fees in connection with the transactions contemplated by this Agreement.

5.6. No Continuation of Business. Buyer's business is neither a continuation of, nor is it related to, the business of Seller, and Buyer covenants that it will not, in any way, represent that its business is a continuation of or related to the business of Seller.

5.7. Financing. Buyer has sufficient unrestricted funds on hand or committed lines of credit to consummate the transactions contemplated by this Agreement, including funding Seller's Business from the date of entry of the Approval Order to the Closing Date.

VI. COVENANTS OF THE PARTIES

6.1. Conduct of Business. From and after the date hereof and until the Closing Date, Seller shall use commercially reasonable efforts in the context of the Case to cause the Business to be conducted in the ordinary course and consistent with the present conduct of the Business.

6.2. Access. From the date hereof until the Closing Date, Seller shall allow Buyer's employees, agents and Representatives during regular business hours to make such investigation of the Business and Seller's books and records related thereto, as Buyer reasonably deems necessary or advisable, and Seller shall instruct its employees to cooperate in any such investigation. From and after the Closing Date, so long as any books, records or other files

relating to the Assets or operation of the Business, to the extent that they pertain to such operations prior to the Closing Date, remain in existence and available, each party (at its expense) shall have the right, upon reasonable notice, to inspect and to make copies of the same at any time during regular business hours for any proper purpose, including, without limitation, in connection with any third-party claim in respect of which a party may have Liability hereunder.

6.3. Public Announcements. No party shall issue a press release or otherwise make any public statements with respect to the transactions contemplated hereby, except as such party reasonably believes may be required by Law, by obligations pursuant to any listing agreement with any national securities exchange or over-the-counter market or with respect to filings to be made with the Bankruptcy Court in connection with this Agreement (in which case the party required to make such public statement shall notify the other party prior to making such public statement), without the prior consent of the others, which consent shall not be unreasonably withheld.

6.4. Reasonable Efforts. Upon the terms and subject to the conditions herein provided, each of the parties hereto shall use its respective reasonable, good faith efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable under applicable Laws and regulations to ensure that the conditions set forth in this Agreement are satisfied and to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, the parties hereto shall furnish to each other such necessary information and reasonable assistance, as each may request in connection with Seller's preparation and filing of applications and motion papers, and shall execute any additional instruments necessary to consummate the transactions contemplated hereby, whether before or after the Closing.

6.5. Notification of Certain Matters. Seller shall give prompt notice to Buyer, and Buyer shall give prompt notice to Seller, of (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement and (ii) any written objection, litigation or administrative proceeding that challenges the transactions contemplated hereby or the entry of the Approval Order.

6.6. Employees.

(a) Seller shall terminate all persons who are employees of the Business (the "Employees") on the Closing Date and, prior to Closing, Buyer shall offer full-time employment effective as of the Closing to all Employees, whether or not such Employees are actively at work on the Closing Date (including, employees on vacation, sick leave, short term disability and long-term disability). Each such offer of employment by Buyer shall be for a substantially similar position as such Employees held immediately prior to the Closing and at the same salary or regular wage rate received by such Employees immediately prior to the Closing Date. Buyer shall provide the Employees with employee benefits that are substantially comparable, in the aggregate, to the benefits received by the Employees immediately prior to the Closing Date; or, in the alternative, Buyer shall provide the Employees with employee benefits generally provided to similarly situated employees of the Buyer if such employee benefits are, in the aggregate, more valuable than those received by the Employees immediately prior to the Closing Date.

Buyer shall credit all Employees with service with the Seller for all purposes under the Seller's employee benefit plans, including eligibility and vesting, but not benefit accrual, and shall credit Employees for all deductibles and out-of-pocket expenses incurred by the Employees with respect to such benefits during the calendar year in which the Closing Date occurs. For a period of one year following the Closing Date, Seller shall maintain severance benefits for the benefit of the Employees which are equal to the severance benefits applicable to the Employees immediately prior to the Closing Date. Buyer shall not during the 90-day period beginning on the Closing Date terminate the employment of full-time employees (as determined for purposes of the WARN Act) of the Business so as to cause any "plant closing" or "mass layoff" (as those terms are defined in the WARN Act) such that Seller has any obligation under the WARN Act that Seller otherwise would not have had absent such terminations; provided, however, that in the event of any breach by Buyer of the foregoing, Buyer shall indemnify Seller for any such obligations.

(b) Alternative Tax Procedure. Pursuant to the "Alternative Procedure" provided in section 5 of Revenue Procedure 96-60, 1996-2 C.B. 399, (i) Buyer and Seller shall report on a predecessor/successor basis as set forth therein, (ii) Seller will be relieved from filing a Form W-2 with respect to any employees of the Seller engaged primarily in the Business immediately prior to the Closing Date to whom Buyer offers employment pursuant to Section 6.6 hereof, who accept such an offer of employment by Buyer and who actually commence such employment with Buyer (a "Continued Employee") and (iii) Buyer will undertake to file (or cause to be filed) a Form W-2 for each such Continued Employee for the year that includes the Closing Date (including the portion of such year that such employee was employed by Seller). Seller shall provide Buyer on a timely basis with all payroll and employment-related information with respect to each employee of Seller who accepts employment with Buyer.

6.7. Further Assurances. On and after the Closing Date, the parties shall take all appropriate action and shall execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to carry out any of the provisions hereof.

6.8. Further Agreements. Seller authorizes and empowers Buyer on and after the Closing Date to receive and to open all mail received by Buyer relating to the Assets, the Business or the Assumed Liabilities and to deal with the contents of such communications in any proper manner. Seller shall promptly deliver to Buyer any mail or other communication received by Seller after the Closing Date pertaining to the Assets, the Business or the Assumed Liabilities. Buyer shall promptly deliver to Seller any mail or other communication received by it after the Closing Date pertaining to the Excluded Assets or any Excluded Liabilities and any cash, checks or other instruments of payment in respect thereof. From and after the Closing Date, Seller shall refer all inquiries with respect to the Business, the Assets and the Assumed Liabilities to Buyer, and Buyer shall refer all calls with respect to the Excluded Assets and the Excluded Liabilities to Seller.

6.9. Payment of Transfer Taxes and Tax Filings.

(a) All Transfer Taxes arising out of the transfer of the Assets and any Transfer Taxes required to effect any recording or filing with respect thereto shall be borne by Buyer. The Transfer Taxes shall be calculated assuming that no exemption from Transfer Taxes is available, unless otherwise indicated in the Approval Order or, at Closing, Buyer shall provide an appropriate resale exemption certificate or other evidence acceptable to Seller of exemption

from such Transfer Taxes. Seller and Buyer shall cooperate to timely prepare and file any returns or other filings relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes.

(b) Each party shall furnish or cause to be furnished to the others, upon request, as promptly as practicable, such information and assistance relating to the Assets and the Business as is reasonably necessary for filing of all Tax returns, including any claim for exemption or exclusion from the application or imposition of any Taxes or making of any election related to Taxes, the preparation for any audit by any taxing authority and the prosecution or defense of any claim, suit or proceeding relating to any Tax return.

6.10. Utilities. To the extent practicable, the parties shall notify the gas, water, telephone, electric and other utility companies that Buyer shall be responsible for the payment of all obligations incurred therefor on or after the Closing Date with respect to the operation of the Business. Seller and Buyer shall request the gas, water, electric and other utility companies to cause meters or other measurement devices to be read as of the Closing Date.

6.11. Proration of Taxes and Certain Charges.

(a) Except as provided in Section 6.9, all real property Taxes, personal property Taxes or similar ad valorem obligations levied with respect to the Assets for any taxable period that includes the day before the Closing Date and ends after the Closing Date, whether imposed or assessed before or after the Closing Date, shall be prorated between Seller and Buyer as of 12:01 A.M. on the Closing Date. If any Taxes subject to proration are paid by Buyer, on the one hand, or Seller, on the other hand, the proportionate amount of such Taxes paid (or in the event a refund of any portion of such Taxes previously paid is received, such refund) shall be paid promptly by (or to) the other after the payment of such Taxes (or promptly following the receipt of any such refund).

(b) Except as provided in Section 6.10, all installments of special assessments or other charges on or with respect to the Assets payable by Seller for any period in which the Closing Date shall occur, including, without limitation, base rent, common area maintenance, royalties, all municipal, utility or authority charges for water, sewer, electric or gas charges, garbage or waste removal, and cost of fuel, shall be apportioned as of the Closing Date and each party shall pay its proportionate share promptly upon the receipt of any bill, statement or other charge with respect thereto. If such charges or rates are assessed either based upon time or for a specified period, such charges or rates shall be prorated as of 12:01 A.M. on the Closing Date. If such charges or rates are assessed based upon usage of utility or similar services, such charges shall be prorated based upon meter readings taken on the Closing Date.

(c) All refunds, reimbursements, installments of base rent, additional rent, license fees or other use related revenue receivable by any party to the extent attributable to the operation of the Business for any period in which the Closing shall occur shall be prorated so that Seller shall be entitled to that portion of any such installment applicable to the period up to but not including the Closing Date and Buyer shall be entitled to that portion of any such installment applicable to any period from and after the Closing Date, and if Buyer or Seller, as the case may be, shall receive any such payments after the Closing Date, they shall promptly remit to such other parties their share of such payments.

(d) The prorations pursuant to this Section may be calculated after the Closing Date, as each item to be prorated (including without limitation any such Tax, obligation, assessment, charge, refund, reimbursement, rent installment, fee or revenue) accrues or comes due, provided that, in any event, any such proration shall be calculated not later than thirty (30) days after the party requesting proration of any item obtains the information required to calculate such proration of such item.

6.12. HSR Act. If necessary, each party shall make an appropriate filing of a notification and report form pursuant to the HSR Act with respect to the transactions contemplated hereby within two (2) Business Days after the date hereof and to supply promptly any additional information and documentary material that may be requested pursuant to the HSR Act. In addition, each party shall promptly make any other filing that may be required under any other antitrust law or by any antitrust authority. All such filings shall comply in all material respects with the requirements of the respective laws or regulations pursuant to which they are filed. Each party hereto shall promptly inform the other of any communication from any Governmental Entity regarding any of the transactions contemplated by this Agreement. If any party or Affiliate thereof receives a request for additional information or documentary material from any such Government Entity with respect to the transactions contemplated by this Agreement, then such party will use its reasonable efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request. Each party shall bear its respective filing fees associated with the HSR filings.

6.13. Bulk Sales. Each of the parties hereto waives compliance with any applicable provisions of the Uniform Commercial Code Article 6 (Bulk Sales or Bulk Transfers) or analogous provisions of law, as adopted in the states in which the Business is conducted as, such provisions may apply to the transactions contemplated by this Agreement.

6.14. Rejected Contracts. Seller shall not reject any Assumed Contract, Equipment Lease or Real Property Lease in any bankruptcy proceeding following the date hereof unless this Agreement is terminated in accordance with its terms.

6.15. Removal of Excluded Assets. Within a reasonable period of time from the Closing, Seller shall remove all Excluded Assets from the locations used in the operation of the Business.

6.16. Post-Closing Access to Records and Personnel. Buyer hereby acknowledges that it shall grant to Seller, from and after the Closing Date, access, as promptly as practicable but in no event no later than 5 days after receiving notice, to any records related to Seller's operation of the Business prior to the Closing Date upon Seller's written request. Buyer shall keep such records in a manner consistent with Buyer's past practice and such records shall not be destroyed or removed from their present location until the later of three years from the Closing Date or the conclusion of all bankruptcy proceedings related to the Business.

6.17. Communications Licenses. The Seller shall use reasonable, good faith efforts not to surrender, or to permit an adverse modification of, forfeiture of, or failure to renew under regular terms, any of the Communications Licenses, cause the FCC or any other Governmental Entity to institute any proceeding for the revocation, suspension, or modification of any such

authorization, or to fail to prosecute with due diligence any pending applications with respect to Communications Licenses, including any renewals thereof.

6.18. FCC and State Regulatory Consents.

(a) FCC Consents. Subject to Section 6.18(d), within thirty (30) days after the Approval Order, the Buyer shall prepare and file, or cause to be prepared and filed, the necessary application or applications with the FCC seeking consent to the assignment of the FCC Licenses in connection with the consummation of the transactions contemplated herein ("FCC Consents") and, thereafter, shall promptly make all other filings and notifications and promptly seek all such consents, licenses, approvals, permits, waivers, orders or authorizations as may be required to obtain the FCC Consents. The Seller shall cooperate with the Buyer to the fullest extent reasonably possible to provide all necessary information for the preparation of such applications, including those portions of such applications that are required to be completed by Seller. The Seller and Buyer shall prosecute such applications with all reasonable diligence and otherwise use their reasonable best efforts (including, with respect to Buyer, providing financial assurance to the extent required) to obtain grants of approval as expeditiously as practicable. The Buyer shall bear all reasonable fees payable by the Buyer and/or the Seller to the FCC and to any outside counsel employed by the Seller and/or Buyer in connection with the preparation and filing of the applications for the FCC Consents.

(b) State PUC Consents. Subject to Section 6.18(d), within thirty (30) days after the entry of the Approval Order, the Buyer shall prepare and file or cause to be prepared and filed with any state or local regulatory authorities applications for the approval of the assignment of the State PUC Licenses and Assets (the "State PUC Consents"). The Seller and Buyer shall prosecute such applications with all reasonable diligence and otherwise use their reasonable best efforts (including, with respect to Buyer, providing financial assurance to the extent required) to obtain grants of approval as expeditiously as practicable. The Buyer shall bear all reasonable fees payable by the Buyer and/or the Seller to the state and local regulatory entities and to any outside counsel employed by the Seller and/or Buyer in connection with the preparation and filing of the applications for the State PUC Consents.

(c) Other Governmental Approvals. The Seller and the Buyer shall each use their reasonable best efforts to cooperate with each other in determining any filings, notifications and requests for approval (other than the FCC Consents and the State PUC Consents) required to be made and received prior to the Closing under applicable law or regulation (collectively, the "Other Regulatory Approvals"). In connection with any Other Regulatory Approvals, neither the Buyer nor the Seller will, and each of them will use its reasonable best efforts not to, cause or permit any of its officers, directors, partners, or other Affiliates to, take any action that could reasonably be expected to materially and adversely affect the submission of any required filings or notifications or the grant of any such approvals.

(d) Cooperation. Buyer and Seller shall each use their commercially reasonable efforts to prosecute the FCC Applications and the State PUC Applications in good faith and with due diligence before the FCC and the State PUCs and in connection therewith shall take such action or actions as may be necessary or reasonably required in connection with the FCC Applications and the State PUC Applications, including furnishing to the FCC and the State PUCs any documents, materials, or other information requested by the FCC and the State PUCs in order to obtain such approvals as expeditiously as practicable. No party hereto shall

knowingly take, or fail to take, any action if the intent or reasonably anticipated consequence of such action or failure to act is, or would be, to cause the FCC, any State PUC, or other regulatory authority not to grant approval of any FCC Application or of any State PUC Application or materially delay either such approval or the consummation of the assignment of Communications Licenses of Seller.

VII. CONDITIONS TO OBLIGATIONS OF THE PARTIES

7.1. Conditions Precedent to Obligations of Buyer and Seller. The respective obligations of Buyer, on the one hand, and Seller, on the other hand, to close under this Agreement shall be subject to the satisfaction at or prior to the Closing Date of the following conditions:

(a) No Injunction. No preliminary or permanent injunction or other order issued by, and no Proceeding or Order by or before any Governmental Entity in the United States or by any United States Governmental Entity nor any Law or Order promulgated or enacted by any United States Governmental Entity shall be in effect or pending which materially delays, restrains, enjoins or otherwise prohibits or seeks to restrain, enjoin or otherwise prohibit the transactions contemplated hereby.

(b) The Approval Order. The Bankruptcy Court shall have entered the Approval Order. The "Approval Order" shall be an order or orders of the Bankruptcy Court in form and substance reasonably acceptable to Seller and Buyer approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Seller to consummate the transactions contemplated hereby.

(c) HSR Act. Any applicable waiting period under the HSR Act, if required, shall have expired or shall have been earlier terminated.

(d) Consents and Approvals. All consents, waivers, authorizations and approvals of third Persons as are necessary in connection with the transactions contemplated by this Agreement shall have been obtained, except for such consents, waivers, authorizations and approvals that would not have a Material Adverse Effect and such consents and approvals that are not required due to the entry by the Bankruptcy Court of the Approval Order.

7.2. Conditions Precedent to Obligations of Buyer. The obligation of Buyer to close under this Agreement is subject to the satisfaction (or waiver by Buyer) at or prior to the Closing Date of each of the following additional conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Seller contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date.

(b) Performance of Agreements. Seller shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by them prior to or at the Closing Date.

(c) Officer's Certificate. Buyer shall have received a certificate, dated the Closing Date, of an officer of Seller to the effect that the conditions specified in Sections 7.2(a) and (b) above have been fulfilled.

7.3. Conditions Precedent to the Obligations of Seller. The obligation of Seller to close under this Agreement is subject to the satisfaction (or waiver by Seller) at or prior to the Closing Date of each of the following additional conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that any such representations or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date.

(b) Performance of Agreements. Buyer shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by it prior to or at the Closing Date.

(c) Officer's Certificate. Seller shall have received a certificate, dated the Closing Date, of an officer of Buyer to the effect that the conditions specified in subsections (a) and (b) above have been fulfilled.

(d) [When applicable, insert plan for funding Seller's Business until Closing]

VIII. TERMINATION

8.1. Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) By mutual written consent of Buyer and Seller;

(b) By any party if the Closing shall not have occurred on or before _____, 2002; provided, however, that, if the Closing shall not have occurred due to the failure of the Bankruptcy Court to enter the Approval Order and if all other conditions to the respective obligations of the parties to close hereunder that are capable of being fulfilled by _____, 2002 shall have been so fulfilled or waived, then neither party may terminate this Agreement prior to _____, 2002; provided, further, however, that if the Closing shall not have occurred on or before any such date due to a breach of this Agreement by Buyer or Seller, the breaching party may not terminate this Agreement pursuant to this Section 8.1(b); provided, further, however, that if the Closing shall not have occurred on or before any such date due to the failure of either party to obtain approval for the assignment of Seller's FCC and/or State PUC Licenses, Buyer may not terminate this Agreement pursuant to this Section 8.1(b) without prior consent of Seller.

(c) By any party not in breach of this Agreement, if there shall be any Law or regulation that makes the consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree or judgment of any court or governmental body having competent jurisdiction;

(d) By Seller, on the one hand, or Buyer, on the other, if Buyer or Seller, as the case may be, materially breach any of its obligations under this Agreement, unless such breach shall be cured within five (5) Business Days after such other party shall have received notice of such breach in accordance with the terms hereof.

8.2. No Liabilities in Event of Termination. In the event of any termination of the Agreement pursuant to Section 8.1, written notice thereof shall forthwith be given to the other party specifying the provision hereof pursuant to which such termination is made, this Agreement shall forthwith become wholly void and of no further force and effect, and there shall be no liability on the part of Buyer or Seller, except that the obligations of Seller and Buyer under Section 10.1 shall remain in full force and effect and except that if this Agreement shall be terminated pursuant to Section 8.1(d) hereof, the breaching party shall remain liable to the non-breaching party for costs, expenses and damages incurred by its breach, and subject to Seller's right to the Earnest Money Deposit pursuant to Section 3.2.,

IX. INDEMNIFICATION

9.1. Survival. All representations and warranties of Buyer and Seller contained in this Agreement shall survive up to the Closing and shall terminate at and upon the Closing, after which no claims based on any alleged breach thereof may be asserted; provided, however, that, the covenants and agreements of the parties hereto shall survive the Closing in accordance with their terms. This Section 9.1 shall not limit any covenant or agreement of the parties contained in this Agreement which by its terms contemplates performance after the Closing.

9.2. Indemnification.

(a) Seller shall indemnify and hold Buyer and its Affiliates harmless against and in respect of loss, damage, claim, Liability, judgment or settlement of any nature or kind, including all costs and expenses relating thereto, including, without limitation, interest, penalties and reasonable attorneys' fees (collectively "Damages"), arising out of, resulting from or relating to:

(i) all Excluded Liabilities; and

(ii) any breach by Seller of its covenants contained herein which survive the Closing or in the officer certificate delivered by Seller pursuant to Section 7.2(c); provided, however, that (x) Seller shall be required to provide indemnification pursuant to this clause (ii) only when the aggregate Damages resulting from such breaches to the indemnified party exceed 10% of the Purchase Price (and only to the extent of such excess) and (y) Seller shall not be required to provide indemnification pursuant to this clause (ii) in an aggregate amount in excess of 10% of the Purchase Price.

(b) Buyer shall indemnify and shall hold Seller and its Affiliates harmless against and in respect of any Damages, arising out of, resulting from or relating to:

(i) all Assumed Liabilities;

(ii) any breach by Buyer of its covenants contained herein which survive the Closing or in the officer certificate delivered by Buyer pursuant to Section 7.3(c); and

(iii) the termination of any person who becomes an employee of Buyer with respect to the Business on or after the Closing Date.

(c) In the event that any Person shall incur or suffer any Damages in respect of which indemnification may be sought hereunder, such Person (the "Indemnified Party") may assert a claim for indemnification by providing written notice to the party from whom indemnification is being sought (the "Indemnifying Party"), stating the amount of Damages, if known, and the nature and basis of such claim (the "Notice"), amount of Damages that arise or may arise by reason of any third-party claim, promptly after receipt by an Indemnified Party of written notice of the assertion of any claim or the commencement of any action with respect to any matter in respect of which indemnification may be sought hereunder, the Indemnified Party shall give Notice to the Indemnifying Party and shall thereafter keep the Indemnifying Party reasonably informed with respect thereto, provided that failure of the Indemnified Party to give the Indemnifying Party prompt notice as provided herein shall not relieve the Indemnifying Party of any of its obligations hereunder, except to the extent that the Indemnifying Party is materially prejudiced by such failure. In case any such claim is made or action is brought against any Indemnified Party, the Indemnifying Party shall be entitled to assume the defense thereof, by written notice of its intention to do so to the Indemnified Party within 30 days after receipt of the Notice. If the Indemnifying Party shall assume the defense of such claim or action, it shall have the right to settle such claim or action; provided, however, that it shall not settle such claim or action without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed) if such settlement (i) does not include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnified Party from all Liability with respect to such claim or action or (ii) involves the imposition of equitable remedies or the imposition of any material obligations on such Indemnified Party other than financial obligations for which such Indemnified Party will be indemnified hereunder. As long as the Indemnifying Party is contesting any such claim or action in good faith, the Indemnified Party shall not pay or settle such claim or action. Following delivery of notice of its intention to assume the defense of any claim or action hereunder, the Indemnifying Party shall not be liable hereunder for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, further, however, that if the defendants in any action shall include both an Indemnifying Party and any Indemnified Party and such Indemnified Party shall have reasonably concluded that counsel selected by the Indemnifying Party has a conflict of interest because of the availability of different or additional defenses to such Indemnified Party, such Indemnified Party shall have the right to separate counsel to participate in the defense of such action on its behalf, at the expense of the Indemnifying Party; provided, further, however, that the Indemnifying Party shall not be obligated to pay the expenses of more than one separate counsel for all Indemnified Parties, taken together.

(d) If the Indemnifying Party shall fail to notify the Indemnified Party of its desire to assume the defense of any claim or action within the prescribed period of time, or shall notify the Indemnified Party that it will not assume the defense hereof, then the Indemnified Party may assume the defense of such claim or action, in which event it may do so acting in good faith, and the Indemnifying Party shall be bound by any determination made in any such action, provided, however, that the Indemnified Party shall not be permitted to settle any such action without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. No such determination or settlement shall affect the right of the Indemnifying Party to dispute the Indemnified Party's claim for indemnification hereunder. The Indemnifying Party shall be permitted to participate in the defense of such claim or action and to employ counsel at its own expense. If the Indemnifying Party chooses to assume the defense of any claim or action pursuant hereto, the Indemnified Party shall cooperate in such defense, which cooperation shall include the retention and the provision to the Indemnifying Party of records and information which are reasonably relevant to such defense, and making employees available on a mutually convenient basis to provide additional information and explanation of any materials provided hereunder, including providing such employees to serve as witnesses.

(e) The right to indemnification pursuant to this Article IX shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the date the Closing occurs, with respect to the accuracy or inaccuracy of or compliance with, any representation, warranty, covenant or obligation. The waiver of any condition to the obligation of a party to consummate the transactions contemplated by this Agreement, where such condition is based on the performance of or compliance with any covenant or obligation, shall not affect the right of an Indemnified Party to indemnification, payment of an Indemnified Party's Damages, or other remedy based on such covenant or obligation.

(f) Any indemnification payments made pursuant to this Agreement shall be treated for tax purposes as an adjustment to the Purchase Price, unless otherwise required by applicable law.

X. MISCELLANEOUS

10.1. Expenses. Except as set forth in this Agreement and whether or not the transactions contemplated hereby are consummated, each party shall bear all costs and expenses incurred or to be incurred by such party in connection with this Agreement and the consummation of the transactions contemplated hereby.

10.2. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller without the prior written consent of Buyer, or by Buyer without the prior written consent of Seller; provided, however, that, Buyer may assign its rights and obligations hereunder, in whole or in part, to any wholly-owned subsidiary of Buyer, provided that no such assignment shall relieve Buyer of its liabilities and obligations hereunder if such assignee does not perform such obligations and provided, further that this Agreement may be assigned to one or more trustees appointed by the Bankruptcy Court to succeed to the rights of Seller. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and except as otherwise expressly provided herein, no other Person shall have any right, benefit or obligation hereunder.

10.3. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of Seller and Buyer, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. Without limiting the foregoing, no direct or indirect holder of any equity interests or securities of either Seller or Buyer (whether such holder is a limited or general partner, member, stockholder or otherwise), nor any Affiliate of either Seller or Buyer, nor any director, officer, employee, representative, agent or other controlling person of each of the parties hereto and their respective Affiliates shall have any liability or obligation arising under this Agreement or the transactions contemplated thereby.

10.4. Notices. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by any party to any other party shall be in writing and shall be delivered in person or by courier or facsimile transmission (with such facsimile transmission confirmed by sending a copy of such notice, request, instruction or other document by certified mail, return receipt requested) or mailed by certified mail, postage prepaid, return receipt requested (such mailed notice to be effective on the date such receipt is acknowledged), as follows:

If to Seller:

Network Plus, Inc.
41 Pacella Park Drive,
Randolph, MA 02368
Attention: James J. Crowley
Fax: (781) 473-3972

With a copy to:

Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attention: Mitchel Appelbaum, Esq.
Fax: (617) 526-5000

If to Buyer:

Attention: _____
Fax: _____

With a copy to:

Attention: _____
Fax: _____

or to such other place and with such other copies as either party may designate as to itself by written notice to the other party. Rejection, any refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

10.5. Choice of Law. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the Bankruptcy Code and the substantive

laws of the Commonwealth of Massachusetts, except that any provisions contained herein relating to the conveyance of interests in real property shall be governed by the substantive laws of the Commonwealth or State in which the Real Property is located, in each case without regard to the conflict of law principles thereof or of any other jurisdiction.

10.6. Entire Agreement: Amendments and Waivers. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties. Except as set forth herein or in any certificate delivered pursuant hereto, no party (or any employee or agent thereof) makes any representation or warranty, express or implied, to any other party with respect to this Agreement or the transactions contemplated hereby. No supplement, modification or waiver of this Agreement (including, without limitation, any schedule hereto) shall be binding unless the same is executed in writing by all parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), and no such waiver shall constitute a continuing waiver unless otherwise expressly provided.

10.7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

10.8. Invalidity. If any one or more of the provisions contained in this Agreement (other than any of the provisions contained in Article II or Article III hereof) or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the parties shall use their reasonable efforts, including, but not limited to, the amendment of this Agreement, to ensure that this Agreement shall reflect as closely as practicable the intent of the parties hereto on the date hereof.

10.9. Headings. The table of contents and the headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

10.10. Exclusive Jurisdiction. Without limiting any party's right to appeal any order of the Bankruptcy Court, (a) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (b) any and all claims, actions, causes of action, suits and proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 10.4 hereof.

10.11. Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

10.12. Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement, except as expressly provided in herein.

10.13. Specific Performance. Each of the parties hereto acknowledges that the other party hereto would be irreparably damaged in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions thereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction, in addition to any other remedy to which the parties may be entitled, at law, in equity or pursuant to this Agreement.

10.14. Counting. If the due date for any action to be taken under this Agreement (including, without limitation, the delivery of notices) is not a Business Day, then such action shall be considered timely taken if performed on or prior to the next Business Day following such due date.

10.15. Service of Process. Each party irrevocably consents to the service of process in any action or proceeding by receipt of mailed copies thereof by national courier service or registered United States mail, postage prepaid, return receipt requested, to its address as specified in or pursuant to Section 10.4 hereof. However, the foregoing shall not limit the right of a party to effect service of process on the other party by any other legally available method.

10.16. Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

10.17. Exhibits and Schedules. The Exhibits and Schedules attached to, delivered with and identified to this Agreement are a part of this Agreement the same as if fully set forth herein and all references herein to any Section of this Agreement shall be deemed to include a reference to any Schedule named therein.

10.18. Interpretation.

(a) Whenever the words "include," "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(b) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(d) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(e) All references to "\$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(f) All references to any financial or accounting terms shall be defined in accordance with United States Generally Accepted Accounting Principles.

10.19. Preparation of this Agreement. Buyer and Seller hereby acknowledge that (a) Buyer and Seller jointly and equally participated in the drafting of this Agreement and all other agreements contemplated hereby, (b) both Buyer and Seller have been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby, and (c) no presumption shall be made that any provision of this Agreement shall be construed against either party by reason of such role in the drafting of this Agreement and any other agreement contemplated hereby.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Seller and Buyer as of the date first above written.

NETWORK PLUS, INC.

By: _____
Name:
Title:

[BUYER]

By: _____
Name:
Title:

EXHIBIT B

Bidding Procedures*

Set forth below are the bidding procedures (the "Bidding Procedures") to be employed with respect to the proposed sale (the "Sale") of the assets (the "Purchased Assets") of Network Plus Corp. and Network Plus, Inc. (collectively, the "Sellers").

On February __, 2002, the Sellers filed the Motion of the Debtors for Orders (A)(i) Approving Bidding Procedures, Including Bid Protections, (ii) Approving the Form and Manner of Notice of (a) the Bid Procedures Hearing, (b) Sale Hearing and (c) Cure Amount Notices and (iii) Scheduling Sale Hearing, (B) Authorizing and Approving (i) the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims and Encumbrances and (ii) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases (the "Motion") and (C) Authorizing the Debtors to Send Notice of Termination of Service. On February __, 2002 the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an Order (the "Bidding Procedures Order") approving the bidding procedures described therein (the "Bidding Procedures"). The Bidding Procedures Order also set March 13, 2002 at ____ a.m. as the time the Bankruptcy Court will conduct a hearing (the "Sale Hearing") to approve the Sale.

The Bidding Process

The Sellers shall (i) determine whether any person is a Qualified Bidder (as defined herein), (ii) coordinate the efforts of Qualified Bidders in conducting their respective due diligence investigations regarding the Debtors' business, (iii) receive bids from Qualified Bidders, (iv) negotiate any offer made to purchase the Purchased Assets and (v) conduct the Auction (as defined herein) (collectively, the "Bidding Process"). Any person who wishes to participate in the Bidding Process must be a Qualified Bidder. Neither the Sellers nor their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Purchased Assets to any person who is not a Qualified Bidder. The Sellers shall have the right to amend the rules set forth herein for the Bidding Process or adopt such other written rules for the Bidding Process, which, in the Sellers' reasonable judgment, will better promote the goals of the Bidding Process and which are not inconsistent with the terms of any Bankruptcy Court order, including the Bidding Procedures Order.

Participation Requirements

Unless otherwise ordered by the Bankruptcy Court, for cause shown, or as otherwise determined by the Sellers, in order to participate in the Bidding Process, each prospective bidder (a "Potential Bidder") must deliver (unless previously delivered) to the Sellers on or before the close of business of March 6, 2002 a signed letter of intent regarding: (a) the purchase price range, (b) the bidder's delivery of a good faith earnest money deposit equal to 10% of the highest proposed purchase price at the time of execution of the Acquisition Agreement, (c) any assets expected to be excluded, (d) any liabilities and/or executory contracts and unexpired leases to be

* Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Motion.

assumed, (e) the structure and financing of the transaction (including the amount of equity to be committed and sources of financing), (f) any anticipated regulatory approvals required to close the transaction, the anticipated time frame for obtaining the same and any anticipated impediments for obtaining the same, (g) any conditions to closing that it may wish to impose in addition to those set forth in the Acquisition Agreement, and (h) to the extent that the closing is not expected to occur within ten (10) days after the entry of the Sale Order, evidence of an acceptable mechanism for funding the Debtors after such date and prior to the closing date. Such proposal shall also include a financial statement of the Potential Bidder, a letter from a reputable financial institution, or such other form of financial disclosure and credit-quality support or enhancement acceptable to the Sellers and their advisors that provides evidence of the Potential Bidder's ability to finance and consummate the proposed transactions.

A Qualified Bidder is a Potential Bidder that delivers the documents described above whose financial information and credit-quality support or enhancement demonstrate the financial capability of the Potential Bidder to consummate the Sale, and that the Sellers, after consultation with counsel to any Creditors' Committee, the Prepetition Lenders and the Postpetition Lenders, determine is likely (based on availability of financing, experience and other considerations) to be able to consummate the Sale if selected as a Successful Bidder within the time frame provided by the Acquisition Agreement. A Qualified Bidder's bid will be valued based upon various factors, including the net value provided by such bid (including, without limitation, consideration of any cure amounts which will have to be paid by the Sellers), the likelihood and timing of consummating such transaction, and the effect on the Sellers' ability to otherwise meet its obligations to provide a Service Termination Notice to non-acquired customers and wind down the unsold portion of its business. The Sellers reserve the right to waive any or all of the foregoing criteria following consultation with counsel to the DIP Lenders, counsel to the Prepetition Lenders and counsel to any Creditors' Committee, and following such waiver, such Potential Bidder shall be deemed to be a Qualified Bidder. As promptly as practicable after the Sellers shall determine those entities that are Qualified Bidders, the Sellers shall notify them in writing.

Due Diligence

The Sellers shall afford each Potential Bidder due diligence access to the Debtors' business and the Purchased Assets, provided that the Potential Bidder submits to the Sellers evidence of the Potential Bidder's ability to finance and consummate a probable transaction. Due diligence access may include reasonable management as may be scheduled by the Sellers, access to data rooms, on-site inspections and such other matters which a Potential Bidder may request and as to which the Sellers, in their sole discretion, may agree to. The Sellers will designate an employee or other representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. Any additional due diligence shall not continue after the Bid Deadline (as defined herein). The Sellers may, in their discretion, coordinate diligence efforts such that multiple Potential Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections. Neither the Sellers nor any of their affiliates (or any of their respective representatives) are obligated to furnish any information relating to the Business or the Purchased Assets to any person other than to Potential Bidders. Bidders are advised to exercise their own discretion before relying on any information regarding the Business or the Purchased Assets provided by anyone other than the

Sellers or their representatives. No Potential Bidder shall be provided access unless and until it has executed and delivered to the Sellers the confidentiality agreement described above.

Bid Deadline

A Bidder that desires to make a bid shall deliver written copies of its bid to (i) PricewaterhouseCoopers Securities LLC, 630 Fifth Avenue, New York, New York 10111, Attn: Jeffrey Lewis, (ii) Network Plus Corp., 41 Pacella Park Drive, Randolph, MA 02368, Attn: James J. Crowley (Chief Operating Officer), (iii) Hale and Dorr LLP, 60 State Street, Boston, MA, Attn: Mitchel Appelbaum, Esq., (Counsel to the Sellers), (iv) Young Conaway Stargatt & Taylor LLP The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE 19801, Attn: Joel A. Waite, (v) Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, New York 10005-1413, Attn: Allan Brilliant, Esq. (counsel to the Prepetition Lenders and the DIP Lenders), and (vi) counsel to any Creditors' Committee, not later than 5:00 p.m. (Eastern Standard Time) on March 6, 2002 (the "Bid Deadline"). The Sellers may extend the Bid Deadline, but shall not be obligated to do so. If the Sellers extend the Bid Deadline, they shall promptly notify all Qualified Bidders of such extension.

Bid Requirements

A bid is a letter from a Qualified Bidder stating that (i) the Qualified Bidder offers to purchase all or a portion of the Purchased Assets upon the terms and conditions set forth in a copy of the Acquisition Agreement attached to such letter, marked to show those amendments and modifications to the Acquisition Agreement, including price, terms, and assets to be acquired; that the Qualified Bidder proposes (a "Marked Agreement") and (ii) the Qualified Bidder's offer is irrevocable until 48 hours after the closing. A Qualified Bidder shall accompany its bid with written evidence of a commitment for financing or other evidence of ability to consummate the transaction.

Unless otherwise waived by the Sellers in writing, the Sellers will consider a bid only if the bid is not conditioned on obtaining financing or on the outcome of unperformed due diligence by the bidder with respect to the assets sought to be acquired and is received by the Bid Deadline.

A bid received from a Qualified Bidder that meets the above requirements is a "Qualified Bid." A Qualified Bid will be valued based upon various factors, including the net value provided by such bid and the likelihood and timing of consummating such transaction.

"As Is; Where Is"

The sale of the Purchased Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Sellers, their agents or estates, except to the extent set forth in a Marked Agreement. All of the Sellers' right, title and interest in and to the assets to be acquired shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the "Transferred Liens"), such Transferred Liens to attach to the net proceeds of the sale of such assets.

Each bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Purchased Assets and to conduct any and all due diligence regarding the Purchased Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid, and that it did not rely upon any written or oral statements, representation, promises, warranties and guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection with the Bidding Process, except as expressly stated in a Marked Agreement.

Auction

The Sellers shall conduct an auction (the "Auction") with respect to the Purchased Assets and provide to all Qualified Bidders the opportunity to submit bids and participate at the Auction. The Auction shall take place at 10:00 a.m. (Eastern Standard Time) on March 8, 2002 at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109 or such later time or other place as the Sellers shall notify the Qualified Bidders, but in no event shall the Auction occur later than the date that is one day prior to the Sale Hearing scheduled in the Bidding Procedures Order (as such date may be adjourned from time to time by the Sellers or by the Bankruptcy Court). The Sellers may, at their option, provide or make available copies of any Qualified Bid(s) that the Sellers believe are the highest or otherwise best offer to all Qualified Bidders who intend to participate in the Auction by no later than 9 a.m. on the day of the Auction.

Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Sellers determine is relevant, the Sellers, in their sole discretion, may conduct the Auction in the manner they determine will achieve the maximum value for the Purchased Assets. The Sellers may adopt rules for bidding at the Auction, that, in Seller's business judgment, will better promote the goals of the bidding process and that are not inconsistent with any of the provisions of the Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court entered in connection herewith. Prior to the start of the Auction, the Sellers will inform the Qualified Bidders participating in the Auction of the manner in which the Auction will be conducted.

As soon as practicable after the conclusion of the Auction, the Sellers, in consultation with their financial advisors, and after consultation with counsel to each of any Creditors' Committee, the Prepetition Lenders and the Postpetition Lenders, shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale, and (ii) identify the highest or otherwise best offer(s) for the Purchased Assets at the Auction (the "Successful Bid(s)", and the bidder making such bid, the "Successful Bidder(s)"). At the Sale Hearing, the Sellers shall present the Successful Bid(s) to the Bankruptcy Court for approval.

Acceptance of Qualified Bids

The Sellers shall sell the Purchased Assets to the Successful Bidder(s), in accordance with the applicable Marked Agreement. The Sellers' presentation to the Bankruptcy Court for approval of a particular Qualified Bid does not constitute the Sellers' acceptance of the bid. The Sellers shall

have accepted a bid only when that bid has been approved by the Bankruptcy Court at the Sale Hearing.

The Sale Hearing

The Sale Hearing is presently scheduled to take place on March 13, 2002 at 9:30 a.m. before the Honorable Peter J. Walsh, United States Bankruptcy Judge, 824 Market Street, 6th Floor, Wilmington, Delaware. At the Sale Hearing, the Sellers will seek entry of an order, among other things, authorizing and approving the Sale to the Successful Bidder(s), as determined by the Sellers in accordance with the Bidding Procedures, pursuant to the terms and conditions set forth in the applicable Marked Agreement submitted by the Successful Bidder(s). The Sale Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the Sale Hearing. The Successful Bidder shall be required to provide evidence at the Sale Hearing as to the adequate assurance of such Successful Bidder's performance of any Executory Agreements to be assumed and assigned to such Successful Bidder.

Following the Sale Hearing at which the Bankruptcy Court approves the sale of the Purchased Assets to a Successful Bidder(s), if any such Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the next highest or otherwise best Qualified Bid(s), as disclosed at the Sale Hearing, shall be deemed to be the Successful Bid(s) and the Sellers may effectuate such sale without further order of the Bankruptcy Court.

Modifications

The Sellers may (a) determine, in their business judgment, which Qualified Bid(s), if any, is the highest or otherwise best offer and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that, in the Sellers' sole discretion, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Sellers, their estate and creditors. **The Debtors shall not be required to accept any bid and may elect in their sole discretion to exclude or withdraw from the Auction any or all property or assets.** At or before the Sale Hearing, the Bankruptcy Court or, consistent with the purposes of the Bidding Procedures to obtain the highest or otherwise best offer for the Purchased Assets, the Sellers may impose such other terms and conditions as they may determine to be in the best interests of the Sellers' estates, their creditors and other parties in interest; provided, however, that such additional terms and conditions shall not be inconsistent with the Bidding Procedures Order.

EXHIBIT C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
Network Plus Corp. and)
Network Plus, Inc.,) Case No. 02-10341 (PJW)
)
) Jointly Administered
Debtors.)

NOTICE OF SALE OF ASSETS

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. Pursuant to the Order (i) Approving Bidding Procedures, Including Bid Protections, (ii) Approving the Form and Manner of Notice of (a) Bid Procedures Hearing, (b) Sale Hearing and (c) Cure Amount Notices, (iii) Scheduling Sale Hearing and (iv) Authorizing the Debtors to Send Notice of Termination of Service (the "Bid Procedures Order") entered by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on _____, 2002, the above-captioned debtors and debtors in possession (collectively, the "Debtors") are selling all, substantially all or portions of the assets related to the Debtors' business (the "Purchased Assets").

2. All interested parties are invited to make offers to purchase all or some lesser portion of the Debtors' assets in accordance with terms and conditions approved by the Bankruptcy Court (the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtors will conduct an auction of their assets (the "Auction") beginning on March 8, 2002 at 10:00 a.m. at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109. **If no bidders qualify, then the Debtors, if they believe, in their business judgment, that is in the best interest of their estates, creditors and interest holders, may send a notice of termination of service to their customers and implement a wind-down of their operations.**

3. Participation at the Auction is subject to the Bidding Procedures and the Bidding Procedures Order. The Bidding Procedures include the following³:

A. Qualified Bidders: Unless waived by the Debtors, each bidder, to be a Qualified Bidder, must, by 5:00 p.m. on March 6, 2002, deliver a financial statement or other evidence of credit worthiness to the Debtors. In addition, to be a Qualified Bidder, such party must, by 5:00 p.m. on March 6, 2002, deliver a proposal to the Debtors identifying the assets to

³ The description of the Bidding Procedures herein is a summary only. Copies of the Bidding Procedures approved by the Bankruptcy Court may be obtained by contacting: _____.

be purchased, purchase price and the other material terms of the offer, which include a good faith earnest money deposit equal to 10% of the proposed purchase price, all as more specifically set forth in the Bidding Procedures.

B. Due Diligence: Qualified Bidders shall be afforded an opportunity to conduct due diligence of the Debtors' business, as set forth in the Bidding Procedures.

C. Bid Deadline: Bids shall be delivered by 5:00 p.m. on March 6, 2002 to each of the parties listed in the Bidding Procedures. The Debtors may extend the Bid Deadline.

D. Bid Requirements: Bids shall be in the form of a letter stating that the Qualified Bidder offers to purchase all or a portion of the Purchased Assets on the terms and conditions set forth in a copy of the Acquisition Agreement attached to such letter, marked to show those amendments and modifications thereto, including price, terms, assets to be acquired, that the Qualified Bidder proposes, and that such bid is irrevocable until 48 hours after the closing of the sale of the purchased.

E. No Financing or Due Diligence Contingencies: Unless otherwise waived by the Debtors in writing, the Debtors will consider a bid only if it is not conditioned on obtaining financing or on the outcome of unperformed due diligence.

F. Purchase of Some or All Assets: A Qualified Bidder may bid for a portion of the Debtors' assets, or for all or substantially all of the Debtors' assets. The Debtors may accept multiple offers for separate groups of the Debtors' assets if the Debtors conclude that such sales will maximize value for their estates.

G. As Is, Where Is: The sale of the Debtors' assets shall be on an "as is, where is" basis, with no representations or warranties of any kind except to the extent set forth in the [applicable] Acquisition Agreement.

H. Auction: The Debtors shall conduct an auction (the "Auction") with respect to the Purchased Assets and all of the Debtors other assets and provide to all Qualified Bidders the opportunity to submit bids at the Auction. The Auction shall take place at 10:00 a.m. (Eastern Standard Time) on March 8, 2002, at Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, or such later time or other place as the Sellers shall notify the Qualified Bidders. The Sellers may adopt rules for bidding at the Auction, that, in Sellers' business judgment, will better promote the goals of the bidding process and that are not inconsistent with any of the provisions of the Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court entered in connection herewith. Prior to the start of the Auction, the Sellers will inform the Qualified Bidders participating in the Auction of the manner in which the Auction will be conducted. At the conclusion of the Auction, the Debtors shall announce the bid(s) determined to be highest and best, and shall thereafter present such bid(s) to the Court for approval at the Sale Hearing.

I. Sale Hearing: The Sale Hearing is scheduled for March 13, 2002 at 9:30 a.m. before the Honorable Peter J. Walsh, United States Bankruptcy Judge, 824 Market Street, 6th Floor, Wilmington, Delaware. At the Sale Hearing, the Sellers will seek entry of an order,

among other things, authorizing and approving the Sale(s) to the Successful Bidder(s) and authorizing the assumption and assignment of certain executory contracts and unexpired leases.

J. Right to Withdraw From Sale: The Debtors may (a) determine, in their business judgment, which Qualified Bid(s), if any, is the highest or otherwise best offer and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that, in the Debtors' sole discretion, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor, their estate and creditors. **The Debtors shall not be required to accept any bid and may elect in their sole discretion to exclude or withdraw from the Auction any or all property or assets.**

4. The Debtors shall have accepted a bid only when the bid has been approved by the Bankruptcy Court at the Sale Hearing. Notwithstanding Bankruptcy Court approval of a sale pursuant to the terms of a bid by a Qualified Bidder, and all bids will remain open for 48 hours after the closing of the Sale of the Purchased Assets and 30 days after the Sale Hearing. Upon failure to consummate the sale of the Purchased Assets because of a breach or failure on the part of the Successful Bidder, the Debtors may select in their business judgment the next highest or otherwise best Qualified Bid to be the Successful Bid without further order of the Court.

5. This notice is qualified in its entirety by the Bid Procedures Order.

PLEASE TAKE FURTHER NOTICE:

6. With respect to any of the Debtors' assets for which no qualified bid is received by the Bid Deadline, or for which no sale is approved or consummated by the Sale Hearing, the Debtors may be unable to continue to provide services to their customers which are serviced by such assets, and the Debtors may, in their sole discretion and to the extent applicable, thereafter discontinue service to such affected customers and send to such customers notices of discontinuance of service.

Dated: February __, 2002
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

James L. Patton, Jr. (No. 2202)
Joel A. Waite (No. 2925)
Maureen D. Luke (No. 3062)
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– and –

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Proposed Counsel for Debtors and Debtors In Possession

EXHIBIT D

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
NETWORK PLUS CORP., et al.,	)	Case No.
	)	(Jointly Administered)
)	
Debtors.	)	Objections Deadline:
	)	Hearing Date:

**NOTICE OF CURE AMOUNT WITH RESPECT TO, AND OF
POSSIBLE ASSUMPTION AND ASSIGNMENT OF,
EXECUTORY CONTRACT OR UNEXPIRED LEASE**

PLEASE TAKE NOTICE THAT:

1. Pursuant to the Order (i) Approving Bidding Procedures, Including Bid Protections, (ii) Approving the Form and Manner of Notice of (a) Bid Procedures Hearing, (b) Sale Hearing and (c) Cure Amount Notices, (iii) scheduling the Sale Hearing and (iv) Authorizing the Debtors to Send Notice of Termination of Service (the "Bid Procedures Order") entered by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on _____, 2002, the above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby provide notice that the Debtors may elect to assume and assign one or more of the unexpired leases or executory contracts (the "Executory Agreements") listed on Schedule I attached hereto to a Successful Bidder (capitalized terms not otherwise defined in this notice shall have the meaning given to them in the Bidding Procedures Order).

2. The Debtors may elect, in connection with a sale to a Successful Bidder, to assume and assign any of the Executory Agreements, in which case you will be paid the amount the Debtors' record reflect is owing for prepetition arrearages as set forth on Schedule I hereto (the "Cure Amount"). If you are a party to an Executory Agreement and wish to receive notice of the identity of a Successful Bidder which desires to have assigned an Executory Agreement to which you are a party, please provide your fax number and/or e-mail address to _____ by _____, 2002. Unless otherwise noted on Schedule I, the Debtors' records reflect that all postpetition amounts currently owing under your Executory Agreement have been paid and that other than the Cure Amount, there are no defaults under the Executory Agreement.

3. Pursuant to 11 U.S.C. § 365, there is adequate assurance that the Cure Amount as set forth in the Cure Amount Notice, shall be paid in accordance with the terms of the Sale Order.

4. Objections, if any, to the proposed assumption and assignment of any Executory Agreement and/or to the proposed Cure Amount must be made in writing, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, Wilmington, Delaware 19801 and filed with the Court and received by the Debtors, their counsel, counsel to the DIP Lenders and counsel for any Creditors' Committee by 5:00 p.m. on March 6, 2002 (the "Objection Deadline").

5. If an objection to the proposed assumption and assignment of any Executory Agreement and/or to the Cure Amount is timely filed and served, a hearing with respect to the objection will be held before the Peter J. Walsh, United States Bankruptcy Judge, 824 Market Street, 6th Floor, Wilmington, Delaware at the Sale Hearing or such date and time as the Court may schedule. A hearing regarding the Cure Amount, if any, may be continued at the sole discretion of the Debtors until after the Closing Date.

6. Prior to the Closing Date, the Debtors may amend their decision with respect to the assumption and assignment of the Assumed Contract and provide you with a new notice amending the information provided in this Notice or any subsequent notice regarding the assumption of any Executory Agreement.

Dated: _____, 2002
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

James L. Patton, Jr. (No. 2202)
Joel A. Waite (No. 2925)
Maureen D. Luke (No. 3062)
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– and –

HALE AND DORR LLP
Mitchel Appelbaum (BBO #558579)
Richard P. Zermani (BBO #557828)
60 State Street
Boston, MA 02109
Tel: (617) 526-6000
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Proposed Counsel for Debtors and Debtors In Possession

EXHIBIT E

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
NETWORK PLUS CORP., et al.,	)	Case No.
	)	(Jointly Administered)
)	
Debtors.	)	Objections Deadline:
	)	Hearing Date:

NOTICE OF PROPOSED BID PROTECTIONS

PLEASE TAKE NOTICE THAT:

I. On February ___, 2002, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed a motion for Orders (i) Approving Bidding Procedures, Including Bid Protections, (ii) Approving the Form and Manner of Notice of (a) Bid Procedures Hearing, (b) Sale Hearing and (c) Cure Amount Notices, (iii) scheduling the Sale Hearing and (iv) Authorizing the Debtors to Send Notice of Termination of Service. A hearing on such motion is scheduled to be held on February 21, 2002 at 11:30 a.m. before the Honorable Peter J. Walsh, United States Bankruptcy Judge, 824 Market Street, 6th Floor, Wilmington, Delaware (the "Bid Procedures Hearing") heard entered by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on _____, 2002,

1. The Debtors hereby provide notice that they have accepted the bid of _____ (the "Buyer") for the purchase of [substantially all] [certain] of the Debtors' assets. The terms of the bid are set forth in the Acquisition Agreement (the "Acquisition Agreement;" capitalized terms not otherwise defined in this notice shall have the meaning given to them in the Acquisition Agreement).

2. Pursuant to the terms of the Acquisition Agreement, the Debtors have agreed to seek approval of the Bankruptcy Court to grant to the Buyer certain bid protections (as listed on Schedule I hereto, the "Bid Protections"). The Debtors intend to seek such approval of the Bid Protections at the Bid Procedures Hearing to be held on February 21, 2002 at 11:30 a.m. before the Honorable Peter J. Walsh, United States Bankruptcy Judge, 824 Market Street, 6th Floor, Wilmington, Delaware.

3. Objections, if any, to the proposed Bid Protections may be made in writing, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, 6th Floor, Wilmington, Delaware, and served upon the undersigned counsel prior to the commencement of the Bid Procedures Hearing.

Dated: _____, 2002
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

James L. Patton, Jr. (No. 2202)
Joel A. Waite (No. 2925)
Maureen D. Luke (No. 3062)
Edward Kosmowski (No. 3849)
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-- and --

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60 State Street
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Fax: (617) 526-5000

Proposed Counsel for Debtors and Debtors In Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)	
	)	Chapter 11
NETWORK PLUS CORP., et al.,)	
Network Plus, Inc.	)	Case No. 02-16341 (PJW)
	)	(Jointly Administered)
)	
Debtors.)	

**ORDER (i) APPROVING BIDDING PROCEDURES, INCLUDING BID
PROTECTIONS, (ii) APPROVING THE FORM AND MANNER
OF NOTICE OF (A) BID PROCEDURES HEARING, (B) SALE
HEARING (C) CURE AMOUNT NOTICES, AND (D) ASSUMPTION
NOTICES, (iii) SCHEDULING SALE HEARING AND (iv)
AUTHORIZING DEBTORS TO SEND NOTICE OF TERMINATION**

This matter having come before the Court on the Motion of the Debtors for Order (i) Approving Bidding Procedures, Including Bid Protections, (ii) Approving the Form and Manner of Notice of (A) Bid Procedures Hearing, (B) Sale Hearing and (C) Cure Amount Notices, (iii) Scheduling Sale Hearing and (iv) Authorizing the Debtors to Send Notice of Termination of Service (the "Motion"),¹ filed by Network Plus Corp. and Network Plus, Inc., debtors and debtors-in-possession in the above-captioned jointly administered cases (the "Debtors"), seeking, inter alia, entry of an order (the "Bid Procedures Order"): (i) approving the Debtors' proposed bidding procedures (as set forth on Exhibit A hereto, the "Bidding Procedures") relating to the sale (the "Sale") of substantially all or a portion of the Debtors' assets (the "Purchased Assets"), including authorizing the Debtors to grant certain bid protections (the "Bid Protections", as more fully described in the Bid Protection Notice (as defined herein)) to a bidder that has, prior to the Bid Procedures Hearing, submitted a binding proposal to purchase substantially all or a portion

¹ Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Motion or the Acquisition Agreement, as the case may be.

Debtors' assets, if the Debtors' determine, in their discretion, that granting the Bid Protections will induce competitive bidding and maximize value for the Debtors' estates, (ii) approving the form and manner of notice of (A) the hearing to consider approval of the Bidding Procedures (the "Bid Procedures Hearing"), (B) the Sale Hearing and (C) proposed cure payments (the "Cure Payments") in respect of executory contracts and unexpired leases (the "Executory Agreements"), and (D) the assumption and assignment of certain Executory Agreements (the "Assigned Agreements"), (iii) scheduling a date for the Sale Hearing and (iv) Authorizing the Debtors to Send Notice of Termination of Service; [and _____ (the "Buyer") having on _____, 2002, submitted to the Debtors a binding proposal to purchase certain of the Debtors' assets on the terms and conditions set forth in the letter and marked copy of the Acquisition Agreement filed with the Court on _____, 2002 (the "Buyer's Acquisition Agreement"); and the Debtors having determined that granting Bid Protections to the Buyer will induce competitive bidding and will maximize value for the Debtors' estates; and the Court having reviewed and considered the Motion; and the Court having considered the arguments of counsel at the hearing held on February 21, 2002 (the "Bid Procedures Hearing"); and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors and other parties in interest, and that no other or further notice need be given; and upon the record of the Bid Procedures Hearing; and after due deliberation thereon; and good cause appearing therefore, it is hereby

FOUND AND DETERMINED THAT:²

A. The Court has jurisdiction over this matter and over the property of the Debtors and their respective bankruptcy estates pursuant to 28 U.S.C. § 1334 and § 157(a).

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

B. This is a core proceeding to 28 U.S.C. § 1334 and § 157(b)(2)(A), (N) and (O).

C. The Debtors have articulated good and sufficient reasons for (i) approving the Bidding Procedures, including the Bid Protections, (ii) approving the form and manner of notice of the Bid Procedures Hearing, the Sale Hearing, the proposed cure payments and the assumption and assignment of the Assigned Agreements and (iii) scheduling a date for the Sale Hearing.

D. [The Debtors' granting of the Bid Protections to _____ (the "Buyer") (as set forth in the Acquisition Agreement) (a) constitutes an actual and necessary cost and expense of preserving the Debtors' estates, within the meaning of section 503(b) of the Bankruptcy Code, (b) is of substantial benefit to the Debtors' estates, (c) is reasonable and appropriate, including in light of the size and nature of the Sale and the efforts that have been and will be expended by the Buyer notwithstanding that the proposed Sale is subject to higher or better offers for the Purchased Assets, (d) was negotiated by the parties at arms' length and in good faith and (e) is necessary to ensure that the Buyer will continue to pursue its proposed acquisition of the Purchased Assets. The Bid Protections were a material inducement for, and condition of, the Buyer's entry into the Acquisition Agreement. The Buyer is unwilling to commit to hold open its offer to purchase the Purchased Assets under the terms of the Acquisition Agreement unless it is assured payment of the Bid Protections.]

E. [Assurance to the Buyer that the Bid Protections have been approved by the Bankruptcy Court has promoted and will promote more competitive bidding by inducing the Buyer's bid that otherwise would not have been made, and without which, bidding would have been limited. Further, because the Bid Protections induced the Buyer to research the value of the Purchased Assets and submit a bid that will serve as a minimum or floor bid on which other bidders can rely, the Buyer has provided a benefit to the Debtors' estates by increasing the

likelihood that the price at which the Purchased Assets are sold will reflect their true worth. Absent authorization of the Bid Protections, the Debtors may lose the opportunity to obtain the highest and best available offer for the Purchased Assets.]

F. The Bidding Procedures, including the Bid Protections, are reasonable and appropriate and represent the best method for maximizing the return for the Purchased Assets.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Bidding Procedures

1. The Bidding Procedures, as set forth on Exhibit A hereto (and incorporated herein by reference as if fully set forth in this Order), are hereby approved and shall govern all proceedings relating to the Sale of the Purchased Assets and any subsequent bids for the Purchased Assets in these cases.

Bid Protections

2. [The Bid Protections, as more fully described in the Buyer's Acquisition Agreement and in the Motion, are hereby approved. The Debtors' obligations in respect of the Bid Protections as provided by the Buyer's Acquisition Agreement shall survive termination of the Buyer's Acquisition Agreement and, until paid, shall constitute an administrative expense and shall be paid in accordance with the terms of the Buyer's Acquisition Agreement without further order of the Court.]

Notice

3. The form and manner of notice of (a) the Bid Procedures Hearing, (b) the Sale Hearing and (c) the Cure Amount Notices, in each case as described in the Motion, are good and sufficient, and no other or further notice thereof shall be required. The Debtors shall within one

(1) day of entry of the Bid Procedures Order serve the Sale Notice by first-class mail, postage prepaid, upon the Notice Parties.

Service Termination Notice

4. The Debtors may send a Service Termination Notice in such form as the Debtors' shall determine and implement a termination of service and cease operations with respect to all or any portion of their business if the Debtors' believe, in their business judgment, that it is in the best interests of their estates, creditors and interest holders.

Sale Hearing

5. The Sale Hearing shall be held on March 13, 2002, at 9:30 a.m. in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, Delaware, at which time the Court shall consider approval of the Sale and confirm the results of the Auction. Objections to the Sale, including to a proposed assumption and assignment of any Executory Agreement or to the proposed Cure Amount must be filed with the Court and served so as to be received by the Debtors, the Debtors' counsel, counsel to the DIP Lenders and counsel to the Creditors' Committee no later than 5:00 p.m. on March 6, 2002 (the "Objection Deadline"), or such other date as the Court may direct.

6. The failure of any objecting person or entity to timely file its objection to the Sale, a Cure Amount or to the assumption and assignment of any Executory Agreement shall be a bar to the assertion, at the Sale Hearing or thereafter, of any such objection, the Debtors' consummation and performance of the Buyer's Acquisition Agreement (including the transfer of the Purchased Assets and Assigned Agreements free and clear of all liens, claims and encumbrances), if authorized by the Court.

7. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Court's calendar on the date scheduled for the Sale Hearing or any adjourned date.

8. The Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Bid Procedure Order.

9. Notwithstanding Bankruptcy Rules 6004(g) and 6006(d), this Order shall be effective upon entry.

Dated: _____, 2002
Wilmington, Delaware

PETER J. WALSH
CHIEF UNITED STATE BANKRUPTCY JUDGE

Bidding Procedures*

Set forth below are the bidding procedures (the "Bidding Procedures") to be employed with respect to the proposed sale (the "Sale") of the assets (the "Purchased Assets") of Network Plus Corp. and Network Plus, Inc. (collectively, the "Sellers").

On February __, 2002, the Sellers filed the Motion of the Debtors for Orders (A)(i) Approving Bidding Procedures, Including Bid Protections, (ii) Approving the Form and Manner of Notice of (a) the Bid Procedures Hearing, (b) Sale Hearing and (c) Cure Amount Notices and (iii) Scheduling Sale Hearing, (B) Authorizing and Approving (i) the Sale of Certain of the Debtors' Assets Free and Clear of All Liens, Claims and Encumbrances and (ii) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases (the "Motion") and (C) Authorizing the Debtors to Send Notice of Termination of Service. On February __, 2002 the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an Order (the "Bidding Procedures Order") approving the bidding procedures described therein (the "Bidding Procedures"). The Bidding Procedures Order also set March 13, 2002 at ____ a.m. as the time the Bankruptcy Court will conduct a hearing (the "Sale Hearing") to approve the Sale.

The Bidding Process

The Sellers shall (i) determine whether any person is a Qualified Bidder (as defined herein), (ii) coordinate the efforts of Qualified Bidders in conducting their respective due diligence investigations regarding the Debtors' business, (iii) receive bids from Qualified Bidders, (iv) negotiate any offer made to purchase the Purchased Assets and (v) conduct the Auction (as defined herein) (collectively, the "Bidding Process"). Any person who wishes to participate in the Bidding Process must be a Qualified Bidder. Neither the Sellers nor their representatives shall be obligated to furnish any information of any kind whatsoever relating to the Purchased Assets to any person who is not a Qualified Bidder. The Sellers shall have the right to amend the rules set forth herein for the Bidding Process or adopt such other written rules for the Bidding Process, which, in the Sellers' reasonable judgment, will better promote the goals of the Bidding Process and which are not inconsistent with the terms of any Bankruptcy Court order, including the Bidding Procedures Order.

Participation Requirements

Unless otherwise ordered by the Bankruptcy Court, for cause shown, or as otherwise determined by the Sellers, in order to participate in the Bidding Process, each prospective bidder (a "Potential Bidder") must deliver (unless previously delivered) to the Sellers on or before the close of business of March 6, 2002 a signed letter of intent regarding: (a) the purchase price range, (b) the bidder's delivery of a good faith earnest money deposit equal to 10% of the highest proposed purchase price at the time of execution of the Acquisition Agreement, (c) any assets expected to be excluded, (d) any liabilities and/or executory contracts and unexpired leases to be assumed, (e) the structure and financing of the transaction (including the amount of equity to be committed and sources of financing), (f) any anticipated regulatory approvals required to close

* Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Motion.

the transaction, the anticipated time frame for obtaining the same and any anticipated impediments for obtaining the same, (g) any conditions to closing that it may wish to impose in addition to those set forth in the Acquisition Agreement, and (h) to the extent that the closing is not expected to occur within ten (10) days after the entry of the Sale Order, evidence of an acceptable mechanism for funding the Debtors after such date and prior to the closing date. Such proposal shall also include a financial statement of the Potential Bidder, a letter from a reputable financial institution, or such other form of financial disclosure and credit-quality support or enhancement acceptable to the Sellers and their advisors that provides evidence of the Potential Bidder's ability to finance and consummate the proposed transactions.

A Qualified Bidder is a Potential Bidder that delivers the documents described above whose financial information and credit-quality support or enhancement demonstrate the financial capability of the Potential Bidder to consummate the Sale, and that the Sellers, after consultation with counsel to any Creditors' Committee, the Prepetition Lenders and the Postpetition Lenders, determine is likely (based on availability of financing, experience and other considerations) to be able to consummate the Sale if selected as a Successful Bidder within the time frame provided by the Acquisition Agreement. A Qualified Bidder's bid will be valued based upon various factors, including the net value provided by such bid (including, without limitation, consideration of any cure amounts which will have to be paid by the Sellers), the likelihood and timing of consummating such transaction, and the effect on the Sellers' ability to otherwise meet its obligations to provide a Service Termination Notice to non-acquired customers and wind down the unsold portion of its business. The Sellers reserve the right to waive any or all of the foregoing criteria following consultation with counsel to the DIP Lenders, counsel to the Prepetition Lenders and counsel to any Creditors' Committee, and following such waiver, such Potential Bidder shall be deemed to be a Qualified Bidder. As promptly as practicable after the Sellers shall determine those entities that are Qualified Bidders, the Sellers shall notify them in writing.

Due Diligence

The Sellers shall afford each Potential Bidder due diligence access to the Debtors' business and the Purchased Assets, provided that the Potential Bidder submits to the Sellers evidence of the Potential Bidder's ability to finance and consummate a probable transaction. Due diligence access may include reasonable management as may be scheduled by the Sellers, access to data rooms, on-site inspections and such other matters which a Potential Bidder may request and as to which the Sellers, in their sole discretion, may agree to. The Sellers will designate an employee or other representative to coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. Any additional due diligence shall not continue after the Bid Deadline (as defined herein). The Sellers may, in their discretion, coordinate diligence efforts such that multiple Potential Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections. Neither the Sellers nor any of their affiliates (or any of their respective representatives) are obligated to furnish any information relating to the Business or the Purchased Assets to any person other than to Potential Bidders. Bidders are advised to exercise their own discretion before relying on any information regarding the Business or the Purchased Assets provided by anyone other than the Sellers or their representatives. No Potential Bidder shall be provided access unless and until it has executed and delivered to the Sellers the confidentiality agreement described above.

Bid Deadline

A Bidder that desires to make a bid shall deliver written copies of its bid to (i) PricewaterhouseCoopers Securities LLC, 630 Fifth Avenue, New York, New York 10111, Attn: Jeffrey Lewis, (ii) Network Plus Corp., 41 Pacella Park Drive, Randolph, MA 02368, Attn: James J. Crowley (Chief Operating Officer), (iii) Hale and Dorr LLP, 60 State Street, Boston, MA, Attn: Mitchel Appelbaum, Esq., (Counsel to the Sellers), (iv) Young Conaway Stargatt & Taylor LLP The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE 19801, Attn: Joel A. Waite, (v) Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, New York 10005-1413, Attn: Allan Brilliant, Esq. (counsel to the Prepetition Lenders and the DIP Lenders), and (vi) counsel to any Creditors' Committee, not later than 5:00 p.m. (Eastern Standard Time) on March 6, 2002 (the "Bid Deadline"). The Sellers may extend the Bid Deadline, but shall not be obligated to do so. If the Sellers extend the Bid Deadline, they shall promptly notify all Qualified Bidders of such extension.

Bid Requirements

A bid is a letter from a Qualified Bidder stating that (i) the Qualified Bidder offers to purchase all or a portion of the Purchased Assets upon the terms and conditions set forth in a copy of the Acquisition Agreement attached to such letter, marked to show those amendments and modifications to the Acquisition Agreement, including price, terms, and assets to be acquired; that the Qualified Bidder proposes (a "Marked Agreement") and (ii) the Qualified Bidder's offer is irrevocable until 48 hours after the closing. A Qualified Bidder shall accompany its bid with written evidence of a commitment for financing or other evidence of ability to consummate the transaction.

Unless otherwise waived by the Sellers in writing, the Sellers will consider a bid only if the bid is not conditioned on obtaining financing or on the outcome of unperformed due diligence by the bidder with respect to the assets sought to be acquired and is received by the Bid Deadline.

A bid received from a Qualified Bidder that meets the above requirements is a "Qualified Bid." A Qualified Bid will be valued based upon various factors, including the net value provided by such bid and the likelihood and timing of consummating such transaction.

"As Is; Where Is"

The sale of the Purchased Assets shall be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Sellers, their agents or estates, except to the extent set forth in a Marked Agreement. All of the Sellers' right, title and interest in and to the assets to be acquired shall be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively, the "Transferred Liens"), such Transferred Liens to attach to the net proceeds of the sale of such assets.

Each bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Purchased Assets and to conduct any and all due diligence regarding the Purchased Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid, and that it did not

rely upon any written or oral statements, representation, promises, warranties and guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Purchased Assets, or the completeness of any information provided in connection with the Bidding Process, except as expressly stated in a Marked Agreement.

Auction

The Sellers shall conduct an auction (the "Auction") with respect to the Purchased Assets and provide to all Qualified Bidders the opportunity to submit bids and participate at the Auction. The Auction shall take place at 10:00 a.m. (Eastern Standard Time) on March 8, 2002 at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109 or such later time or other place as the Sellers shall notify the Qualified Bidders, but in no event shall the Auction occur later than the date that is one day prior to the Sale Hearing scheduled in the Bidding Procedures Order (as such date may be adjourned from time to time by the Sellers or by the Bankruptcy Court). The Sellers may, at their option, provide or make available copies of any Qualified Bid(s) that the Sellers believe are the highest or otherwise best offer to all Qualified Bidders who intend to participate in the Auction by no later than 9 a.m. on the day of the Auction.

Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in the Auction, and such other information as the Sellers determine is relevant, the Sellers, in their sole discretion, may conduct the Auction in the manner they determine will achieve the maximum value for the Purchased Assets. The Sellers may adopt rules for bidding at the Auction, that, in Seller's business judgment, will better promote the goals of the bidding process and that are not inconsistent with any of the provisions of the Bidding Procedures, the Bankruptcy Code or any order of the Bankruptcy Court entered in connection herewith. Prior to the start of the Auction, the Sellers will inform the Qualified Bidders participating in the Auction of the manner in which the Auction will be conducted.

As soon as practicable after the conclusion of the Auction, the Sellers, in consultation with their financial advisors, and after consultation with counsel to each of any Creditors' Committee, the Prepetition Lenders and the Postpetition Lenders, shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale, and (ii) identify the highest or otherwise best offer(s) for the Purchased Assets at the Auction (the "Successful Bid(s)", and the bidder making such bid, the "Successful Bidder(s)"). At the Sale Hearing, the Sellers shall present the Successful Bid(s) to the Bankruptcy Court for approval.

Acceptance of Qualified Bids

The Sellers shall sell the Purchased Assets to the Successful Bidder(s), in accordance with the applicable Marked Agreement. The Sellers' presentation to the Bankruptcy Court for approval of a particular Qualified Bid does not constitute the Sellers' acceptance of the bid. The Sellers shall have accepted a bid only when that bid has been approved by the Bankruptcy Court at the Sale Hearing.

The Sale Hearing

The Sale Hearing is presently scheduled to take place on March 13, 2002 at 9:30 a.m. before the Honorable Peter J. Walsh, United States Bankruptcy Judge, 824 Market Street, 6th Floor, Wilmington, Delaware. At the Sale Hearing, the Sellers will seek entry of an order, among other things, authorizing and approving the Sale to the Successful Bidder(s), as determined by the Sellers in accordance with the Bidding Procedures, pursuant to the terms and conditions set forth in the applicable Marked Agreement submitted by the Successful Bidder(s). The Sale Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the Sale Hearing. The Successful Bidder shall be required to provide evidence at the Sale Hearing as to the adequate assurance of such Successful Bidder's performance of any Executory Agreements to be assumed and assigned to such Successful Bidder.

Following the Sale Hearing at which the Bankruptcy Court approves the sale of the Purchased Assets to a Successful Bidder(s), if any such Successful Bidder fails to consummate an approved sale because of a breach or failure to perform on the part of such Successful Bidder, the next highest or otherwise best Qualified Bid(s), as disclosed at the Sale Hearing, shall be deemed to be the Successful Bid(s) and the Sellers may effectuate such sale without further order of the Bankruptcy Court.

Modifications

The Sellers may (a) determine, in their business judgment, which Qualified Bid(s), if any, is the highest or otherwise best offer and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that, in the Sellers' sole discretion, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Sellers, their estate and creditors. **The Debtors shall not be required to accept any bid and may elect in their sole discretion to exclude or withdraw from the Auction any or all property or assets.** At or before the Sale Hearing, the Bankruptcy Court or, consistent with the purposes of the Bidding Procedures to obtain the highest or otherwise best offer for the Purchased Assets, the Sellers may impose such other terms and conditions as they may determine to be in the best interests of the Sellers' estates, their creditors and other parties in interest; provided, however, that such additional terms and conditions shall not be inconsistent with the Bidding Procedures Order.

File a Motion:02-10341-PJW Network Plus Corp.

Notice of Electronic Filing

The following transaction was received from Luke, Maureen D. entered on 2/13/2002 at 9:47 PM EST and filed on 2/13/2002

Case Name: Network Plus Corp.**Case Number:** 02-10341-PJW**Document Number:** 42**Docket Text:**

Motion to Approve (A) (i) *BIDDING PROCEDURES, INCLUDING BID PROTECTIONS*, (ii) *APPROVING THE FORM AND MANNER OF NOTICE OF (a) BIDDING PROCEDURES AND SALE HEARING AND (b) CURE AMOUNT NOTICES AND (iii) SCHEDULING SALE HEARING*, (B) *AUTHORIZING AND APPROVING (i) THE SALE OF CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES AND (ii) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) AUTHORIZING DEBTORS TO SEND A NOTICE OF TERMINATION OF SERVICE* Filed by Network Plus Corp.. Hearing scheduled for 2/21/2002 at 11:30 AM at US Bankruptcy Court, 824 Market St., 6th Fl., Courtroom #2, Wilmington, Delaware. Objections due by 2/18/2002. (Attachments: # (1) Notice # (2) Exhibit Proposed Asset Purchase Agreement# (3) Exhibit Proposed Bidding Procedures# (4) Exhibit Proposed Notice of Sale of Assets# (5) Exhibit Proposed Notice of Cure Amount# (6) Exhibit Notice of Proposed Bid Protections# (7) Proposed Form of Order) (Luke, Maureen)

The following document(s) are associated with this transaction:

Document description:Main Document**Original filename:**N:/Bankruptcy/networkmotion.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=2/13/2002] [FileNumber=447444-0]
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Document description:Notice**Original filename:**N:/Bankruptcy/networknotice.pdf**Electronic document Stamp:**

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Document description:Exhibit Proposed Asset Purchase Agreement**Original filename:**N:/Bankruptcy/networkexhibita.pdf**Electronic document Stamp:**

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Document description:Exhibit Proposed Bidding Procedures**Original filename:**N:/Bankruptcy/networkexhibitb.pdf**Electronic document Stamp:**

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Document description:Exhibit Proposed Notice of Sale of Assets

Original filename:N:/Bankruptcy/networkexhibite.pdf

Electronic document Stamp:

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Document description:Exhibit Proposed Notice of Cure Amount

Original filename:N:/Bankruptcy/networkexhibid.pdf

Electronic document Stamp:

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Document description:Exhibit Notice of Proposed Bid Protections

Original filename:N:/Bankruptcy/networkexhibite.pdf

Electronic document Stamp:

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Document description:Proposed Form of Order

Original filename:N:/Bankruptcy/networkproorder.pdf

Electronic document Stamp:

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02-10341-PJW Notice will be electronically mailed to:

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