## ORIGINAL

## IN THE UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA Norfolk Division

In re.

PICUS, INC. SYBERCOM, INC. iPLUS INTERNET SERVICES, INC. INTERNET ENTERPRISE CENTER, INC. Case No. 00-72059-SCS (Jointly Administered)

Chapter 11

Debtors in Possession.

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## NOTICE OF MOTION TO SELL ASSETS FREE AND CLEAR OF LIENS AND OUTSIDE OF THE ORDINARY COURSE OF BUSINESS

TAKE NOTICE THAT on October 25, 2002, PICUS, Inc. ("Inc."), and PICUS

Communications, LLC ("LLC;" Inc. and LLC are collectively referred to as "PICUS" or the "Debtors")

filed a Motion to Sell Assets Free and Clear of Liens and Outside of the Ordinary Course of Business (the "Motion"). This notice provides a summary of the terms of the sale. You should review the Motion with the attachments for a complete description of the terms of the sale. The original of the Motion is filed with the Court and available for inspection at the Court's website at <a href="http://www.vaeb.uscourts.gov/">http://www.vaeb.uscourts.gov/</a>. Any party desiring a copy may obtain one from the website or may request one from the undersigned.

Your rights may be affected. You should read the Motion carefully and discuss it with your attorney if you have one. If you do not have an attorney, you may wish to consult one.

If you do not want the Court to approve the sale described in the Motion, then an objection to the Motion must be filed with and received by the Clerk of the Bankruptcy Court, U.S. Bankruptcy Court, P.O. Box 1938, Norfolk, VA 23501-1938 within twenty (20) days after service of this Notice, with a copy to counsel for the Debtors at the address set forth below. If no objection is timely filed, the Court will deem any opposition waived and enter an order without further notice or hearing.

ASSETS TO BE SOLD: LLC proposes to sell, free and clear of all liens, certain equipment located in 96 central telephone offices ("Collocation Equipment") pursuant to collocation arrangements. A description and the location of the Collocation Equipment is set forth on Schedule 1 attached to the Asset Purchase Agreement, which is attached as Exhibit A to the Motion.

PROPOSED PURCHASER: MDU Services, Inc., a Delaware corporation.

<u>PURCHASE PRICE</u>: MDU has offered to pay LLC \$2,000.00 for the Collocation Equipment, per central office location, for a potential total of \$ 192,000.00, paid in cash in installments upon each

Frank J. Santoro, Esq., VSB # 20259 Karen M. Crowley, Esq., VSB # 35881 Ann B. Brogan, Esq., VSB #25567 Marcus, Santoro & Kozak, P.C. P. O. Box 69 Portsmouth, VA 23705-0069 (757) 393-2555 Counsel for the Debtors

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successful removal of the equipment from a central office over a period of approximately ten months, pursuant to the terms of the Asset Purchase Agreement.

LLC intends to hold all cash proceeds from the sale to MDU in an interest bearing escrow account until distributed pursuant to a confirmed plan or other order of this Court. The purchase price represents the only offer PICUS has received for the Collocation Equipment, despite offering the property for sale at public auction. Based on the current state of the telecommunications market, PICUS believes it cannot achieve a higher sales price without incurring substantial expense and risk to the estate.

October 25, 2002

PICUS, INC., and PICUS COMMUNICATIONS, LLC,

By: /s/ Ann B. Brogan
Of Counsel

Frank J. Santoro, Esq., VSB # 20259 Karen M. Crowley, Esq., VSB # 35881 Ann B. Brogan, Esq., VSB #25567 Marcus, Santoro, Kozak & Melvin, P.C. P. O. Box 69 Portsmouth, VA 23705-0069 (757) 393-2555 Counsel for the Debtors

## Certificate of Service

I hereby certify that on October 25, 2002, a true copy of the foregoing Notice was served via first class mail, postage prepaid, to all creditors and parties in interest as reflected on the attached matrix and to the following:

Dennis O. Kraft Hanthorn & Kraft, LLP 5220 Spring Valley Rd. Suite 230 Dallas, Texas 75254 Counsel for MDU Services, Inc.

/s/	Ann	B.	Brogan
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