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UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

In re:)	
)	Chapter 11
PATHNET TELECOMMUNICATIONS)	
INC., et al.)	Case Nos. 01-12264-SSM;
)	01-12265-SSM
Debtors.)	Jointly Administered

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 COMMISSION
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**JOINT MOTION OF THE CHAPTER 11 DEBTORS AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR
FURTHER ORDER IN AID OF PLAN CONSUMMATION**

1. By order dated March 12, 2002, the Court confirmed the First Amended Joint Plan of Liquidation of Pathnet Telecommunications, Inc. and Pathnet, Inc. (the "Plan"). The Plan was filed jointly by PTI and PNI (collectively, the "Debtors"), and by the Official Committee of Unsecured Creditors in these cases (the "Committee," and, collectively with the Debtors, the "Movants"). Movants file this motion for a further order in aid of consummation of the Plan.

2. A previous order in aid of Plan consummation was entered by the Court on December 19, 2002. That order authorized Movants, *inter alia*, to declare a Plan effective date of on or about January 31, 2003, and to make distributions to creditors without establishing liquidating LLCs for PNI and PTI, as contemplated by the Plan.

AUS _____
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 OTH NAME

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3. Movants declared a Plan effective date of February 7, 2003 (the "Effective Date"), and the Debtors made an initial distribution to PTI claimholders on that date. The Debtors intend to make an initial distribution to PNI claimholders during the week of March 10, 2003.

4. Movants had envisioned closing these cases shortly after declaring an effective date. However, in January 2003, the Debtors were advised by the Wilmington Trust Company ("WTC") that, absent an appropriate court order, it would not turn over to PNI approximately \$886,000 held in a trust established pre-bankruptcy to provide certain benefits to PNI employees (the "Trust"). WTC is the trustee of the Trust.

5. PNI no longer has any employees entitled to Trust benefits, and it has terminated each of the benefit plans funded by the Trust. The Trust has paid all benefits for all covered claims that were submitted before the termination of the benefit plans, and following the termination of the plans, there are no further claims against the Trust. As a result, the Trust has accomplished its purpose, and PNI believes the balance of about \$886,000 remaining in the Trust should be returned to PNI and distributed to creditors pursuant to the Plan.

6. PNI intends in the near future to institute an adversary proceeding seeking to terminate the Trust, to recover from WTC the remaining funds in the Trust, to distribute those funds pursuant to the Plan, and to enjoin claims by former PNI employees against WTC relating to the return of the funds (the "WTC Litigation"). Movants believe that the adversary proceeding can be resolved quickly, but recognize that, as a practical matter, it may take 90 days or more for the matter to be resolved.

7. The Plan provides for the Committee to cease to exist after the effective date. Given the WTC Litigation, however, Movants submit that the Committee should be

authorized to continue to exist until the final distribution in these cases so that it can effectively monitor the WTC Litigation and other matters for the benefit of PNI's unsecured creditors.

8. Movants further submit that legal fees and other costs incurred by the Debtors and the Committee in connection with the WTC Litigation and any other ongoing matters should be payable by the PNI estate, subject to review and approval by the Court, pursuant to the same procedures applicable to the approval and payment of fees and costs incurred before the Effective Date.

9. Movants further submit that service of pleadings in the WTC Litigation should be limited to the defendants in that case, and that the Debtors should be relieved of any obligation to serve parties on the 2002 list in the Chapter 11 cases.

10. Finally, in order to ensure finality regarding distributions in these Chapter 11 cases, Movants submit that the Court should enter an order providing that the Debtors shall have no obligation to pay any administrative claim, whether or not asserted on a proof of claim form, unless such administrative claim was affirmatively allowed by the Court on or before March 4, 2003 (with the exception of post-petition income, license, sales, use, withholding or franchise taxes, which shall be paid by the Debtors in the ordinary course when tax returns are filed with the appropriate jurisdictions). Defendants are aware of no pending motions for allowance of administrative expense in these cases.

WHEREFORE, Movants respectfully request that the Court enter the attached order (a) authorizing the continued existence of the Committee until the final distribution in these cases; (b) providing for fees and other costs incurred by the Debtors and the Committee in the WTC Litigation and other ongoing matters to be paid by the PNI estate pursuant to the same procedures that were in effect before the effective date;

(c) providing that, with respect to the WTC Litigation, the Debtors shall have no obligation to serve parties other than named defendants in that adversary proceeding; and

(d) providing that the Debtors shall have no obligation to pay any administrative claim, whether or not asserted on a proof of claim form, unless such administrative claim was affirmatively allowed by the Court on or before March 4, 2003 (with the exception of post-petition income, license, sales, use, withholding or franchise taxes, which shall be paid by the Debtors in the ordinary course when tax returns are filed with the appropriate jurisdictions).

Respectfully submitted,

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**Counsel for the Official Committee of
Unsecured Creditors**

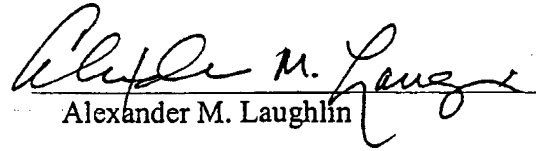
Malcolm Mitchell by deed with authority
Malcolm M. Mitchell, Jr., Va. Bar No. 18098
VORYS SATER SEYMOUR & PEASE LLP
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(703) 837-6999

**Local Counsel for the Official Committee
of Unsecured Creditors**

March 10, 2002

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 10th day of March, 2003, the foregoing Joint Motion of the Chapter 11 Debtors and the Official Committee of Unsecured Creditors for Order in Further Aid of Plan Consummation will be mailed via first class mail postage prepaid to all creditors and parties by Robert L. Berger & Associates, LLC, balloting agent to the Debtors.


Alexander M. Laughlin

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA**

Alexandria Division

In re:)	
)	Chapter 11
PATHNET TELECOMMUNICATIONS)	
INC., et al.)	Case Nos. 01-12264-SSM;
)	01-12265-SSM
Debtors.)	Jointly Administered

ORDER IN FURTHER AID OF PLAN CONSUMMATION

Upon consideration of the Joint Motion of the Debtors and the Official Committee of Unsecured Creditors (the “Committee”) for Order in Further Aid of Plan Consummation (the “Motion”), and good cause having been shown, it is hereby,

ORDERED, that the Motion is GRANTED; and it is further,

ORDERED, that the Committee shall continue to exist until the final distributions in these Chapter 11 cases; and it is further,

ORDERED, that fees and other costs incurred by the Debtors and the Committee in litigation between Debtor Pathnet, Inc. (“PNI”) and the Wilmington Trust Company (the “WTC Litigation”) and other ongoing matters in these Chapter 11 cases shall be paid by the PNI estate pursuant to the same procedures that were in effect before the effective date of the Debtors’ and Committee’s confirmed plan of liquidation; and it is further,

ORDERED, that, with respect to the WTC Litigation, the Debtors shall have no obligation to serve parties other than named defendants in that adversary proceeding; and it is further,

ORDERED, that the Debtors shall have no obligation to pay any administrative claim, whether or not asserted on a proof of claim form, unless such

administrative claim was affirmatively allowed by the Court on or before March 4, 2003
(with the exception of post-petition income, license, sales, use, withholding or franchise
taxes, which shall be paid by the Debtors in the ordinary course when tax returns are filed
with the appropriate jurisdictions).

Hon. Stephen S. Mitchell
United States Bankruptcy Judge

March __, 2003

CERTIFICATION PURSUANT TO JUNE 22, 2001 ADMINISTRATIVE ORDER

I HEREBY CERTIFY that on this ____ day of March, 2003, copies of the foregoing Order in Further Aid of Plan Consummation were mailed via first class mail postage pre-paid to

Malcolm Mitchell, Esquire
VORYS, SATER, SEYMOUR & PEASE, L.L.P.
227 South Washington Street, Suite 310
Alexandria, Virginia 22314

Jack Frankel, Esquire
OFFICE OF THE UNITED STATES TRUSTEE
115 South Union Street, Suite 210
Alexandria, Virginia 22314

in accordance with the Administrative Order Regulating Notice of Entry of Certain Orders dated June 22, 2001.

ON BEHALF OF THE CLERK OF COURT, I FURTHER CERTIFY that copies of the entered Order will be mailed via first class mail postage pre-paid within two days of entry of the Order to the parties required to receive notice of the entry of the Order and to all creditors and parties in interest as set forth on the attached service lists.*

Alexander M. Laughlin

* Pursuant to Local Rule 5005-1(C)(8), the attached service lists are not being served on each of the parties, but are attached to the original Certificate of Service filed with the Court.