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 3 Including Professional Corporations
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 MAY 21 AM 9:36
 COMMISSION
 CLERK

13 Reorganization Counsel for
 14 Debtors and Debtors-in-Possession

15 UNITED STATES BANKRUPTCY COURT
 16 NORTHERN DISTRICT OF CALIFORNIA
 17 SANTA ROSA DIVISION

18 In re:
 19 ADVANCED TELCOM GROUP, INC.,
 20 a Delaware Corporation,
 21 Debtor.
 22 Federal Tax I.D. 94-3344665

Jointly Administered for Procedural
 Purposes Under
 Case No. 02-11073
 Chapter 11

**NOTICE OF ENTRY OF ORDER
 CONFIRMING FIRST AMENDED JOINT
 PLAN OF REORGANIZATION, AS
 MODIFIED**

23 In re:
 24 ADVANCED TELCOM, INC.,
 25 a Delaware Corporation,
 26 Debtor.
 27 Federal Tax I.D. 77-0489158

Hearing Held
 Date: April 18, 2003
 Time: 10:00 a.m.
 Place: U.S. Bankruptcy Court
 99 South "E" Street
 Santa Rosa, CA

28 In re:
 29 SHARED COMMUNICATIONS
 30 SERVICES, INC., an Oregon Corporation,
 31 Debtor.
 32 Federal Tax I.D. 93-0914013

AUS _____
 CAF _____
 CMP _____
 COM _____
 CTR _____
 ECR _____
 GCL _____
 OPC _____
 MMS _____
 SEC _____
 OTH None

DOCUMENT NUMBER - DATE
 04556 MAY 21 03

1 **PLEASE TAKE NOTICE** that on May 13, 2003, the Court entered its Order (the
2 Confirmation Order") Confirming First Amended Joint Plan of Reorganization, as
3 Modified (the "Plan"). A copy of the Confirmation Order and the Plan are attached hereto.

4 **PLEASE TAKE FURTHER NOTICE** that the Effective Date of the Plan (as
5 defined therein) is May 15, 2003.

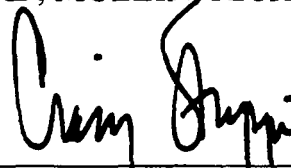
6 **PLEASE TAKE FURTHER NOTICE** that the Confirmation Order provides that
7 any person (including professionals holding Fee Claims (as that term is defined in the
8 Plan) subject to the provisions of Section 330 of the Bankruptcy Code) asserting a claim
9 under Section 507(a)(1) of the Bankruptcy Code or otherwise seeking payment as an
10 expense of administration under Section 503(b) of the Bankruptcy Code must file with the
11 Court a request for payment of administrative expense and serve it upon the Reorganized
12 Debtors, the Liquidation Trustee and the United States Trustee within forty five (45) days
13 after the Effective Date, to wit, July 1, 2003, or be forever barred from receiving such
14 payment.

15 **PLEASE TAKE FURTHER NOTICE** that the Confirmation Order provides that
16 all pre-petition executory contracts and leases to which the Debtors were a party, other
17 than those executory contracts and unexpired leases described in Article XIV of the Plan,
18 are hereby rejected in accordance with the Plan. Claims arising out of or based upon such
19 rejected executory contracts or unexpired leases must be filed within forty-five (45) days
20 after entry of the Confirmation Order, to wit, June 30, 2003.

21
22 Dated: May 15, 2003

23 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

24
25
26 By _____



CRAIG STUPPI

27 Reorganization Counsel for
28 Debtors and Debtors-in-Possession

FILED
May 13, 2003
U.S. Bankruptcy Court
Santa Rosa, CA

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10 UNITED STATES BANKRUPTCY COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SANTA ROSA DIVISION

13 In re:
14 ADVANCED TELCOM GROUP, INC.,
a Delaware Corporation,
15 Debtor.
16 Federal Tax ID: 94-3344665

Jointly Administered for Procedural
Purposes Under:
Case No. 02-11073

Chapter 11

**ORDER CONFIRMING FIRST
AMENDED JOINT PLAN OF
REORGANIZATION, AS MODIFIED**

17 In re:
18 ADVANCED TELCOM, INC.,
a Delaware Corporation,
19 Debtor.
20 Federal Tax ID: 77-0489158

Hearing
Date: April 18, 2003
Time: 10:00 a.m.
Place: U.S. Bankruptcy Court
99 South "E" Street
Santa Rosa, CA

22 In re:
23 SHARED COMMUNICATIONS
SERVICES, INC, an Oregon Corporation,
24 Debtor.
25 Federal Tax ID: 93-0914013
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Advanced TelCom Group, Inc., Advanced Telcom, Inc., and Shared Communications Services, Inc. ("Debtors"), having proposed their First Amended Joint Plan of Reorganization dated February 25, 2003 (the "Plan"), the Court having conducted a hearing to consider confirmation of the Plan on April 18, 2003, copies of the Plan and the First Amended Disclosure Statement to First Amended Joint Plan of Reorganization (the "Disclosure Statement"), and the Order Approving Adequacy of First Amended Disclosure Statement and Fixing Time for Filing Acceptances or Rejections of Plan, Combined with Notice Thereof (the "Disclosure Statement Order") having been provided to creditors and parties-in-interest in accordance with the terms of the Disclosure Statement Order or as otherwise approved by this Court; adequate notice of the hearing having been provided in accordance with Rule 2002(b) of the Rules of Bankruptcy Procedure to the members of the Committee, the Office of the United States Trustee, and to all creditors, parties-in-interest and other entities as required to be served in the Disclosure Statement Order and prior orders of this Court; appearances by and on behalf of parties-in-interest having been made at the hearing and noted on the record; the Court having considered the Plan, any objections to confirmation, the arguments of counsel, the evidence submitted at the hearing, the Memorandum of Points and Authorities in Support of Confirmation filed herein, the offer of proof made at the hearing and noted on the record; the records and files in this chapter 11 case; and good cause appearing therefore,

IT IS HEREBY ORDERED THAT:

CONFIRMATION AND NOTICE THEREOF

1. Capitalized terms appearing in this Order and not otherwise defined herein shall have the meanings assigned to such terms in the Plan or the Disclosure Statement.

1 2. The Disclosure Statement, the Plan, the ballots, the Disclosure
2 Statement Order and notice of the Confirmation Hearing each were transmitted and served
3 in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and
4 the Disclosure Statement Order. Adequate and sufficient notice of (a) the Confirmation
5 Hearing, (b) the deadline to (i) object to confirmation of the Plan and (ii) vote to accept or
6 reject the Plan, and (c) all other hearings and matters described in the Disclosure Statement
7 Order was provided in compliance with the Bankruptcy Code, the Federal Rules of
8 Bankruptcy Procedure and the Disclosure Statement Order, and such notice is hereby
9 approved as sufficient notice to creditors, holders of interests, and all parties-in-interest
10 and no further notice was or is required.

11 3. This Court has jurisdiction to confirm the Plan pursuant to
12 sections 157 and 1334 of title 28 of the United States Code. Confirmation of the Plan is a
13 core proceeding pursuant to section 157(b)(2)(L) of title 28 of the United States Code.

14 4. All objections to confirmation of the Plan or the relief requested in the
15 Plan that have not been withdrawn, waived or settled, and all reservations of rights
16 included therein, are overruled.

17 5. The Plan, as modified by the "Modifications to First Amended Joint
18 Plan of Reorganization" (the "Modifications"), copies of which are attached hereto as
19 Exhibits A and B, respectively, is confirmed, the Court having found that (a) the
20 requirements of section 1129(a) of the Bankruptcy Code have been satisfied as to
21 Classes 1, 2A, 2B, 3 and 4; (b) the requirements of 1129(b) of the Bankruptcy Code have
22 been satisfied as to Classes 5A, 5B and 5C; and (c) the Modifications do not adversely
23 change the treatment of the claim of any creditor or the interest of any equity security
24 holder who has not accepted in writing the Modifications. The Plan is binding upon the
25 Debtors and the reorganized Debtors (hereinafter, the "Reorganized Debtors"), its creditors
26 and equity interest holders irrespective of (i) whether the claim or interest of such creditor
27 or equity interest holder has been allowed and (ii) whether such creditor or equity interest
28 holder has accepted the Plan.

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BAR DATE FOR FILING CERTAIN CLAIMS

6. Any Person (including professionals holding Fee Claims subject to the provisions of 11 U.S.C. § 330) asserting a claim under Section 507(a)(1) of the Bankruptcy Code or otherwise seeking payment as an expense of administration under Section 503(b) of the Bankruptcy Code must file with this Court a request for payment of administrative expense and serve it upon the Reorganized Debtors, the Liquidation Trustee and the United States Trustee within forty five (45) days after the Effective Date (as defined below) or be forever barred from receiving such payment.

7. All pre-petition executory contracts and leases to which the Debtors were a party, other than those executory contracts and unexpired leases described in Article XIV of the Plan, are hereby rejected in accordance with the Plan. Claims arising out of or based upon such rejected executory contracts or unexpired leases must be filed within forty-five (45) days after entry of this Confirmation Order.

EFFECTIVE DATE

8. The Effective Date of the Plan is the later to occur of (a) the tenth day after the entry of the Confirmation Order, (b) the third business day after receipt by the Debtors of the California PUC approval, or (c) the third business day after the date that any stay of the Confirmation Order is vacated, if such stay is in place upon the occurrence of either (a) or (b), in each case subject to waiver of all or part of such 10-day or three day periods by mutual consent of Debtors and Buyers.

EFFECT OF CONFIRMATION AND
POST-CONFIRMATION OBLIGATIONS

9. Pursuant to powers granted by this Court, Crossroads LLC is hereby appointed as Trustee of the Liquidation Trust.

10. The Liquidation Trust, on behalf of the Debtors, shall make quarterly payments to the United States Trustee in accordance with the provisions of 28 U.S.C. § 1930(a)(6), notwithstanding any other provision of the Plan, until the entry of a final decree or of an order dismissing or converting the case. The United States Trustee shall

1 have the right to move to convert or dismiss the case if the quarterly fees are not paid
2 timely.

3 11. As of the Effective Date, the Plan and all of the provisions of the Plan
4 shall be binding upon the Debtors, the Reorganized Debtors, the Committee, the
5 Liquidation Trustee, all governmental agencies and units, and any holder of a Claim
6 against or interest in the Debtor, and the successors and assigns of each, including, without
7 limitation, any chapter 7 or chapter 11 trustee, whether or not the Claim or Interest of such
8 holder (a) is impaired under the Plan or (b) arose before or after the Filing Date or the
9 Effective Date, and whether or not such holder or entity has accepted the Plan. Except as
10 otherwise provided in the Plan, all property of the estate is free and clear of all Claim and
11 Interests (including post-Effective Date Claims) and reverts in the Reorganized Debtors.
12 As set forth in the Plan, the liens of Class 2A shall attach to the Liquidation Trust and to
13 the Holdback Escrow Agreement.

14 12. Except as otherwise provided in the Plan or this Confirmation Order,
15 on and after the Effective Date, all Persons who have held, currently hold or may hold a
16 Claim or Interest (including post-Effective Date Claims) treated or provided for pursuant
17 to the Plan are permanently enjoined from taking any of the following actions on account
18 of such Claim or Interest: (i) commencing or continuing, in any manner and in any place,
19 any action or proceeding against the estate, the Debtors, the Reorganized Debtors, the
20 Liquidation Trustee, Professional Persons or the Committee without leave of the
21 Bankruptcy Court; (ii) enforcing, attaching, collecting, or recovering in any manner any
22 judgment, award, decree or other order against the estate, the Debtors, the Reorganized
23 Debtors, the Liquidation Trustee, or the Committee without leave of the Bankruptcy Court;
24 (iii) creating, perfecting or enforcing any lien against property of the Estate without leave
25 of the Bankruptcy Court; (iv) taking any action to obtain possession of property of the
26 Estate or to obtain possession of property from the estate or to exercise control over the
27 Estate or property of the Estate without leave of the Bankruptcy Court; and (v)
28 commencing or continuing any action or proceeding, in any manner and in any place, that

1 does not comply with or is inconsistent with the provisions of the Plan. Any Person
2 injured by any willful violation of such injunction shall be entitled to recover actual
3 damages, including costs and professional fees and, in appropriate circumstances, punitive
4 damages from the willful violator.

5 13. The Holdback Escrow Agreement is hereby amended to provide that
6 the sum of \$147,000 shall continue to be held back until the entry of a Final Order
7 resolving the claims objections pertaining to the County of Multnomah County, Oregon
8 and Washington County, Oregon.

9 IMPLEMENTATION OF PLAN PROVISIONS

10 14. The Reorganized Debtors, the Liquidation Trustee and each other
11 Person having duties and responsibilities under the Plan, are hereby authorized,
12 empowered, and directed to carry out the provisions of the Plan, and to perform such other
13 acts and execute other documents as are necessary or appropriate in connection with the
14 Plan and this Order, and all such actions shall be deemed to have been duly authorized
15 without further approval of this Court.

16 GENERAL AND MISCELLANEOUS

17 15. This Court shall retain jurisdiction, to the extent permitted by
18 applicable law and Article XV of the Plan, over this chapter 11 case, the Reorganized
19 Debtors, the property of the Reorganized Debtors, the Liquidation Trust, and the
20 Liquidation Trustee for the purposes provided in the Plan and this Order until this
21 chapter 11 case is closed and a final decree is entered.

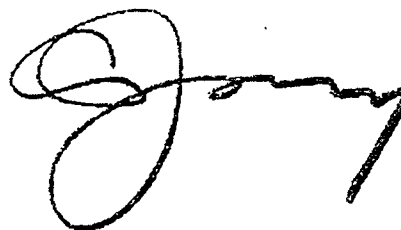
22 16. Each federal, state and local governmental agency or department is
23 hereby directed to accept any and all documents and instruments necessary and appropriate
24 to consummate the Plan.

25 17. To the extent that the Plan and this Order are inconsistent, this Order
26 shall control. To the extent required, this Order shall be deemed a plan modification
27 supplementing the Plan as approved by this Court.

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DATED: May 13, 2003



THE HONORABLE ALAN JAROSLOVSKY
UNITED STATES BANKRUPTCY JUDGE

Presented by:

Sheppard, Mullin, Richter & Hampton LLP

_____/s/

Craig Stuppi
Reorganization Counsel for
Debtors and Debtors-in-Possession

APPROVED AS TO FORM AND CONTENT:

Gray Cary Ware & Freidenrich LLP

_____/s/

Robert S. Gebhard
Counsel for Official Creditors' Committee

APPROVED AS TO FORM AND CONTENT:

Felderstein Fitzgerald Willoughby & Pascuzzi LLP

_____/s/

Thomas A. Willoughby
Counsel for Lucent Technologies, Inc.

1 APPROVED AS TO FORM AND CONTENT:

2 Buchalter, Nemer, Fields & Younger

3

/s/

4 Shawn M. Christianson
5 Counsel for Oracle Corporation

6

7 APPROVED AS TO FORM AND CONTENT:

8

9 Albert, Weiland & Golden, LLP

10

/s/

11 Philip E. Strok
12 Counsel for Qwest Corporation and
13 Qwest Communications Corporation

14

15 APPROVED AS TO FORM AND CONTENT:

16 Provencher & Flatt, LLP
17 Sussman Shank LLP

18

/s/

19 Counsel for Multnomah County, Oregon and
20 Washington County, Oregon

21

22 APPROVED AS TO FORM AND CONTENT:

23 Shearman & Sterling

24

/s/

25 Steven Sherman
26 Counsel for Wachovia Bank, National Association,
27 as Administrative Agent for the Senior Secured Creditors
28

1 APPROVED AS TO FORM AND CONTENT:

2 Kelley Drye & Warren LLP

3

_____ /s/

4 Mark Somerstein

5 Counsel for GE Business Productivity
6 Solutions, Inc.

6

7 Entered: May 13, 2003.

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ORIGINAL FILED
ORDER FOR RELIEF
03 FEB 26 PM 2:20

U.S. BANKRUPTCY COURT
NORTHERN DIST. OF CA.
SANTA ROSA, CA

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
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12 In re:
13 ADVANCED TELCOM GROUP, INC.,
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16 Federal Tax ID: 94-3344665

Jointly Administered for Procedural
Purposes Under:
Case No. 02-11073
Chapter 11
FIRST AMENDED JOINT PLAN OF
REORGANIZATION

17 In re:
18 ADVANCED TELCOM, INC.,
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20 Debtor.
21 Federal Tax ID: 77-0489158

Date: April 18, 2003
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Place: United States Bankruptcy Court
99 South "E" Street
Santa Rosa, California

22 In re:
23 SHARED COMMUNICATIONS
SERVICES, INC.,
24 an Oregon Corporation,
25 Debtor.
26 Federal Tax ID: 93-0914013

1 **INTRODUCTION**

2 Advanced TelCom Group, Inc. ("ATG"), Advance TelCom, Inc. ("ATI")
3 and Shared Communications Services, Inc. ("SCS"), debtors and debtors in possession
4 under Chapter 11 of the Code (each a "Debtor" and collectively, the "Debtors"),
5 collectively and jointly propose the following first amended plan of reorganization:
6

7 **ARTICLE I**

8 **DEFINITIONS**

9 Attached as Exhibit 1 are the definitions for certain terms that are capitalized
10 in the Plan and its accompanying Disclosure Statement. If a capitalized term is used, but
11 has not been defined in Exhibit 1, it will have the meaning attributed to it in the Code and
12 the Rules.
13

14 **ARTICLE II**

15 **RULES OF CONSTRUCTION**

16 **2.1 Generally.** The rules of construction in the Code and in the Rules
17 will apply unless superseded by the Plan or the Confirmation Order.

18 **2.2 Exhibits.** Unless otherwise noted, all Exhibits are incorporated into
19 and are a part of the Plan as if set forth in full. To the extent not annexed hereto, Exhibits
20 will be filed with the Court on or before the Exhibit Filing Date. Copies can be obtained
21 on written request to Sheppard, Mullin, Richter & Hampton, LLP, Four Embarcadero
22 Center, 17th Floor, San Francisco, CA 94111, attention: Ori Katz, Esq., 415-434-9100.

23 **2.3 Time Periods.** In computing any period of time prescribed or
24 allowed by the Plan, Rule 9006(a) will apply.

25 **2.4 Miscellaneous.** (a) Unless the context requires otherwise, the words
26 "herein," "hereof," "hereunder," and other words of similar import refer to the Plan as a
27 whole, (b) whenever it appears appropriate from the context, terms stated in the singular or
28 the plural include the singular and the plural, and pronouns include the masculine,

1 feminine and the neuter, (c) the words "include" or "including" will not be words of
2 limitation, but will be deemed to be followed by the phrase "without limitation," and
3 (d) captions and headings to Articles and Sections of the Plan are inserted for reference
4 only and are not intended to be a part of or to affect its interpretation.

5
6 **ARTICLE III**

7 **BAR DATES AND METHOD OF CLASSIFYING**
8 **CLAIMS AND EQUITY INTERESTS**

9 **3.1 Bar Date for Fee Claims.** All applications for the payment of Fee
10 Claims must be filed with the Court on or before 45 days after the Effective Date (or, if
11 that date is not a Business Day, by the next Business Day).

12 **3.2 Bar Date for Administrative Claims.** The deadline for filing claims
13 entitled to treatment as Administrative Claims will be 45 days after the Effective Date,
14 provided that holders of Administrative Claims that have already filed requests for
15 payment or proofs of claim will not be required to file additional requests for payment or
16 proofs of claim.

17 **3.3 Administrative Claims, Priority Tax Claims and Fee Claims.** In
18 accordance with Section 1123(a)(1) of the Code, Administrative Claims, Priority Tax
19 Claims and Fee Claims have not been classified and are excluded from the Classes in
20 Article IV.

21 **ARTICLE IV**

22 **CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

23 All Claims and Equity Interests, except Administrative Claims, Fee Claims
24 and Priority Tax Claims are placed in Classes as described below.

25 **4.1 Class 1 Claims (Priority Claims):**

26 **(a) Classification.** All Priority Claims against Debtors.
27
28

1 (b) Impairment and Voting. Class 1 Claims are unimpaired.
2 Holders of Class 1 Claims are not entitled to vote on the Plan and will not receive a Ballot.

3 4.2 Class 2 Claims (Senior Secured Creditors' Claims):

4 (a) Classification. All Claims of the Senior Secured Creditors as
5 of the Petition Date.

6 (1) Class 2A are all Senior Secured Creditors' Claims other
7 than those classified in Class 2B.

8 (2) Class 2B are the Senior Secured Creditors' Claim of
9 GECC.

10 (b) Impairment and Voting. Class 2 Claims are impaired.
11 Holders of Class 2 Claims are entitled to vote on the Plan.

12 4.3 Class 3 Claims (Other Secured Claims):

13 (a) Classification. All Other Secured Claims.

14 (b) Impairment and Voting. Class 3 Claims are unimpaired.

15 Holders of Class 3 Claims are not entitled to vote on the Plan and will not receive a Ballot.

16 4.4 Class 4 Claims (Unsecured Claims):

17 (a) Classification. All Unsecured Claims other than the
18 Deficiency Claims of Class 2.

19 (b) Impairment and Voting. Class 4 Claims are impaired.

20 Holders of Class 4 Claims are entitled to vote on the Plan.

21 4.5 Class 5 Equity Interests (Equity Interests):

22 (a) Classification.

23 (1) Class 5A are all Equity Interests in ATG.

24 (2) Class 5B are all Equity Interests in ATI.

25 (3) Class 5C are all Equity Interests in SCS.

26 (b) Impairment and Voting. Class 5A, 5B and 5C Equity
27 Interests are impaired. Holders of Equity Interests in Class 5A, 5B and 5C are deemed to
28

1 have rejected the Plan. As a result, they will not vote on the Plan and will not receive a
2 Ballot.

3
4 **ARTICLE V**

5 **ADMINISTRATIVE CLAIMS, FEE CLAIMS AND PRIORITY TAX CLAIMS**

6 **5.1 Administrative Claims.** Unless it agrees to receive other, less
7 favorable treatment, each holder of an Allowed Administrative Claim will be paid 100% of
8 the unpaid amount of its Allowed Administrative Claim by Reorganized Debtors, in cash.
9 Payment will be made on or as soon as reasonably practicable after the later of (a) the
10 Effective Date, (b) in the ordinary course of Debtors' business, not to exceed 25 Business
11 Days after the Effective Date, or (c) 10 Business Days after the date the Administrative
12 Claim becomes an Allowed Administrative Claim. Notwithstanding the foregoing,
13 Allowed Administrative Claims of the United States Trustee for fees under 28 U.S.C.
14 § 1930(a)(6) will be paid by Reorganized Debtors in accordance with the applicable
15 schedule for payment of those fees.

16 **5.2 Fee Claims.** Subject to the terms of Section 5.3, and unless it agrees
17 to receive other, less favorable treatment, each holder of an Allowed Fee Claim will be
18 paid 100% of the unpaid Allowed Fee Claim, in cash, solely from funds held by the
19 Liquidation Trustee as supplemented by funds provided under the Expense Disbursement
20 Letter. Payment will be made on or as soon as reasonably practicable after the later of
21 (a) the date the Fee Claim becomes an Allowed Claim, or (b) the date the Fee Claim
22 becomes payable according to its terms for services rendered post-confirmation.

23 **5.3 Payment of a Portion of Fee Claims.** Pursuant to the Expense
24 Disbursement Letter, a portion of the Fee Claims incurred by some of Debtors'
25 Professionals and the Creditors' Committee's Professional on and after October 15, 2002,
26 are reimbursed to Debtors by GEBPS or an affiliate or assignee of GEBPS. Professionals
27 who receive a payment from GEBPS, or an affiliate or assignee of GEBPS, under the
28 Expense Disbursement Letter will not be

1 Pro Rata share of any proceeds realized from the Avoidance Claims, and (C) its Pro Rata
2 share of any proceeds arising from the Assigned Rights; or (2) such other treatment as is
3 agreed between the holder and Debtors. The portion of the distribution referred to in
4 Clause 1(A) will be made by the Liquidation Trustee on the Effective Date (except for
5 proceeds of the Holdback Escrow Agreement, which will subsequently be paid to the
6 Liquidation Trust, pursuant to the Holdback Escrow Agreement, and distributed under the
7 Liquidation Trust Agreement) and the remainder of the distribution will be made by the
8 Liquidation Trustee as soon as reasonably practicable thereafter. The Senior Secured
9 Creditors' Claims will be deemed Allowed on the Confirmation Date in the amounts set
10 forth in the proofs of claim filed in the Chapter 11 Cases.

11 (b) On the Effective Date, the Liquidation Trust will be
12 established. All of the Assigned Rights and Avoidance Claims (and all liabilities and
13 claims related thereto or associated therewith) and all Distributable Cash (plus items (d)
14 and (f) referred to in the definition of Distributable Cash) held by Debtors at the close of
15 business on the day before the Effective Date will be transferred to and vest in the
16 Liquidation Trust. In addition, the New Senior Investment Cash Consideration will be
17 paid to Reorganized ATG, which will immediately distribute the funds to the Liquidation
18 Trustee. The Liquidation Trustee will transfer \$300,000 to the Unsecured Distribution
19 Reserve and will transfer the remainder, subject to Section 9(1)(c), to the Administrative
20 Agent. In addition, \$500,000 (plus any earnings thereon) paid by Buyer under the APA
21 into a trust account of Sheppard, Mullin, Richter & Hampton LLP will be transferred on
22 the Effective Date to the Liquidation Trust to be distributed to the Administrative Agent.
23 Pursuant to the Liquidation Trust Agreement, a copy of which is annexed as Exhibit 2, the
24 Liquidation Trustee will prosecute and administer (1) the Assigned Rights for the benefit
25 of the holders of Class 2A Claims, and (2) the Avoidance Claims for the benefit of the
26 holders of Class 2A Claims and Class 4 Claims. Except for distributions to holders of
27 Class 4 Claims from the Unsecured Distribution Reserve and their Adjusted Pro Rata share
28

1 of any proceeds of the Avoidance Claims, all other distributions from the Liquidation
2 Trust, less expenses, will be paid to the Administrative Agent for the benefit of the holders
3 of Class 2A Claims. Debtors, Reorganized Debtors, GEBPS, Buyer, GECC or their
4 respective assigns will not have any obligations to the holders of Class 2A Claims or Class
5 4 Claims except as otherwise provided in the Plan.

6 (c) On receipt by the Liquidation Trustee of amounts required to
7 be paid on the Effective Date as provided for in Sections 6.2(a), 6.2(b) and 6.3, as the case
8 may be, Liens of Creditors in the Senior Secured Collateral will be deemed released
9 irrevocably and unconditionally without further action.

10 **6.3 Senior Secured Creditors' Claim of GECC (Class 2B).**

11 In lieu of its Ratable Class 2A distribution, GECC or its assigns will receive
12 its Class 2B distribution entitling it to obtain New ATG Common Stock. GECC or its
13 assigns will not receive any distributions under the Plan that are provided to members of
14 Class 2A or Class 4.

15 **6.4 Other Secured Claims (Class 3).**

16 Unless it agrees to receive other, less favorable treatment, each holder of an
17 Allowed Other Secured Claim will receive one of the following treatments as soon as
18 reasonably practical on or after the Effective Date:

19 (a) Reorganized Debtors will leave unaltered all of that holder's
20 other legal, equitable, or contractual rights with respect to its Class 3 Claim, including the
21 retention of the Liens securing the Claim;

22 (b) Reorganized Debtors will convey the Collateral that is subject
23 to the holder's Class 3 Claim; or

24 (c) Reorganized Debtors will pay to the holder of a Class 3 Claim
25 cash in the amount of its Allowed Class 3 Claim.

26 Reorganized Debtors, in their sole discretion, will select which of these
27 treatments each holder of an Allowed Class 3 Claim will receive.
28

1 **6.5 Unsecured Claims (Class 4).**

2 Each holder of an Allowed Unsecured Claim will receive its Pro Rata share
3 of the Unsecured Distribution Reserve and its Adjusted Pro Rata share of the proceeds of
4 any Avoidance Actions. The Liquidation Trustee will administer the Unsecured
5 Distribution Reserve. The Liquidation Trustee will distribute any funds in the Unsecured
6 Distribution Reserve as soon as is reasonably practical, based on his review and
7 determination of the Unsecured Claims and any necessary reserve for Disputed Claims.
8 All costs, fees and expenses, including reasonable attorneys' fees and expenses, that are
9 incurred after the Confirmation Date in connection with (a) the administration of the
10 Unsecured Distribution Reserve, and (b) the allowance and determination of Class 4
11 Claims, will be funded as provided in Section 9.1(c). Subordination rights, if any, arising
12 out of contractual subordination provisions under Section 510(a) of the Code will be
13 enforced. Notwithstanding the foregoing, no portion of the Unsecured Distribution
14 Reserve will be used to pay any Administrative Claim of the Senior Secured Creditors or
15 the fees and costs associated with the Liquidation Trust, the administration of the
16 Unsecured Distribution Reserve, the Liquidation Trustee's allowance or determination of
17 Class 4 Claims or the Liquidation Trustee's other administrative costs.

18 **6.6 Equity Interests (Classes 5A, 5B and 5C).**

19 **(a) Class 5A.** Holders of Class 5A Equity Interests will receive no
20 distribution of any kind under the Plan on account of their Equity Interests. On the
21 Effective Date, all Equity Interests in ATG will be deemed cancelled and New ATG
22 Common Stock will be issued to the holders of Class 2B Claims.

23 **(b) Class 5B.** Holders of Class 5B Equity Interests will receive no
24 distribution of any kind under the Plan on account of their Equity Interests. On the
25 Effective Date, all Equity Interests in ATI will be deemed cancelled.

26 **(c) Class 5C.** Holders of Class 5C Equity Interests will receive no
27 distribution of any kind under the Plan on account of their Equity Interests. On the
28 Effective Date, all Equity Interests in SCS will be deemed cancelled.

1
2 **ARTICLE VII**

3 **IMPAIRED CLASSES OF CLAIMS AND ENTITLEMENT TO VOTE**

4 7.1 **Impairment of Classes of Claims and Equity Interests.** Class 2
5 (Secured Claims), Class 4 (Unsecured Claims) and Classes 5A, 5B and 5C (Equity
6 Interests) are impaired by the Plan.

7 7.2 **Class 2 and Class 4 Are Entitled to Vote.** Class 2 and Class 4 are
8 entitled to vote on acceptance or rejection of the Plan.

9 7.3 **Presumed Acceptances.** Class 1 and Class 3 are unimpaired by the
10 Plan. Under Section 1126(f) of the Code, holders of Claims in these Classes are
11 conclusively presumed to accept the Plan and their votes will not be solicited.

12 7.4 **Deemed Rejections.** Holders of Claims in Class 5A, 5B and 5C are
13 not entitled to receive or retain any property under the Plan on account of their Equity
14 Interests. Under Section 1126(g) of the Code, the holders of Equity Interests in Class 5A,
15 5B and 5C are deemed to reject the Plan and their votes will not be solicited.

16 7.5 **Acceptance by an Individual Creditor.** A Creditor will have
17 accepted the Plan if it votes to accept by (a) so marking the Ballot for the Class in which
18 its Claim is placed, and (b) timely returning the Ballot as instructed on its face.

19 7.6 **Cramdown.** If a Class does not accept, or is deemed to reject, the
20 Plan in accordance with Sections 1126 and 1129(a) of the Code, Debtors request that the
21 Court confirm the Plan in accordance with Section 1129(b) of the Code as to any rejecting
22 Class. Debtors reserve the right to modify the Plan to the extent, if any, that confirmation
23 under Section 1129(b) of the Code requires modification.

24 **ARTICLE VIII**

25 **CANCELLATION OF EQUITY INTERESTS, SECURITIES AND LIENS**

26 8.1 **Cancellation of Equity Interests and Securities Generally.**

27 (a) **Cancellation of Equity Interests.** All Equity Interests in each
28

1 of Debtors will be deemed cancelled on the Effective Date.

2 (b) Cancellation of Securities Generally. On the Effective Date,
3 (1) the existing securities and any other note, bond, indenture, or other instrument or
4 document evidencing or creating any indebtedness or obligation of Debtors, will be
5 cancelled, and (2) the obligations of, and Claims against, Debtors under or relating to any
6 agreements, indentures or certificates of designations governing the existing securities and
7 any other note, bond, indenture or other instrument or document evidencing or creating
8 any indebtedness or obligation of Debtors, as the case may be, will be released and
9 discharged.

10 **8.2 Cancellation of Liens**. Except as otherwise provided in Section 6.4,
11 on the Effective Date, (a) all Liens on any of Debtors' Assets will be discharged and
12 released, and (b) all right, title and interest of the holder of any Lien will revert to
13 Reorganized ATG, its successors and assigns. The Liens of the Class 2A will attach to the
14 funds held in the Liquidation Trust and the Holdback Escrow Agreement.

15 **ARTICLE IX**

16 **IMPLEMENTATION OF THE PLAN**

17 The following will occur on the Effective Date:

18 **9.1 Liquidation Trust**

19 (a) Establishment of Liquidation Trust. To facilitate
20 implementation of the Plan, a Liquidation Trust will be established for the purposes of:
21 (a) holding, prosecuting, administering, liquidating and distributing the Assigned Rights
22 and Avoidance Claims for the benefit of Class 2A and Class 4 Allowed Claims,
23 respectively; (b) reserving for Disputed Claims; (c) prosecuting objections to Fee Claims
24 and to Class 4 Claims; (d) making distributions to holders of Class 2A, Allowed Class 4
25 Allowed Fee Claims and certain other professionals, (e) preparing periodic reports to be
26 distributed to the Office of the United States Trustee, the Administrative Agent and any
27 other party in interest; (f) performing administrative services related to the implementation
28

1 of the Plan; (g) employing professionals, including counsel and accountants, for assistance
2 in fulfilling its obligations under the Liquidation Trust Agreement; (h) receiving payments
3 under the Holdback Escrow Agreement and the Expense Disbursement Letter and making
4 the respective distribution thereof as provided in the Liquidation Trust Agreement; and
5 (i) otherwise acting in accordance with the Liquidation Trust Agreement, the Plan and
6 orders of the Bankruptcy Court.

7 (b) Appointment of Liquidation Trustee. On or before the
8 Confirmation Date, Debtors will appoint one or more Persons to act as the Liquidation
9 Trustee.

10 (c) Fees and Costs of the Liquidation Trustee and
11 Professionals. The Liquidation Trustee will retain from any proceeds he receives under
12 the Plan an amount estimated to be more than sufficient to fund the fees and costs of
13 administering the Liquidation Trust, making the required distributions as provided in the
14 Plan, and satisfying the fees and costs of all its professionals in accordance with a budget
15 agreed on by Debtors, the Creditors' Committee and the Administrative Agent, which
16 budget will be filed with the Court before the Confirmation Hearing. If any dispute arises
17 between the Administrative Agent, the Creditors' Committee and Debtors as to the
18 appropriate budget, the Court will reserve jurisdiction to resolve the dispute. Neither the
19 Administrative Agent nor any holder of a Class 2A Claim will have any liability or
20 responsibility for any such fees or costs. The Liquidation Trustee will distribute to the
21 Administrative Agent any excess remaining after all distributions have been made.

22 (d) Provision of Office Space, Equipment, Etc. for the
23 Liquidation Trustee. For a period of one year from and after the Effective Date,
24 Reorganized ATG will permit, at no additional cost or liability to Reorganized ATG, and
25 subject to Reorganized ATG's (1) reasonable security and operations policies and
26 instructions, and (2) reasonable satisfaction that the Liquidation Trustee' insurance is
27 sufficient and available to cover Reorganized ATG against any cost or liability to
28 Reorganized ATG potentially arising from any such access or use, the Liquidation Trustee

1 reasonable rent-free access to and use of office space at 19-23 Old Courthouse Square,
2 Santa Rosa, California, and to office equipment and furniture and office supplies as and to
3 the extent the same may be reasonably necessary to enable the Liquidation Trustee to
4 fulfill his duties under the Liquidation Trust. At its discretion, Reorganized ATG may
5 provide to the Liquidation Trustee comparable office space at another location in Santa
6 Rosa, California, or another location agreed to by the Liquidation Trustee and Reorganized
7 ATG. Reorganized ATG will also provide the Liquidation Trustee with reasonable access
8 to any of the books and records of Debtors necessary for fulfilling the purposes of the
9 Liquidation Trust.

10 **9.2 New Stock Issuance.**

11 (a) **Issuance of New ATG Common Stock.** In consideration of
12 GECC's Class 2B Claim, GECC or its assigns will receive on the Effective Date and in
13 lieu of any other distribution in respect thereof, New ATG Common Stock, which will
14 constitute all of the authorized common stock of Reorganized ATG.

15 (b) **Issuance of New Senior Investment.** Pursuant to the
16 Investment Agreement, Buyer will purchase the New Debt (the "New Senior Investment").
17 Buyer will pay the purchase price for the New Senior Investment to Reorganized ATG, on
18 the Effective Date, in cash and in the amount of the New Senior Investment Cash
19 Consideration. Reorganized ATG will immediately pay the New Senior Investment Cash
20 Consideration to the Liquidation Trust. The New Debt will be evidenced by an unsecured
21 5 year promissory note of Reorganized ATG, which will be payable to Buyer (or to any
22 assignee or transferee holder of such New Debt) and will bear interest at a rate per annum
23 equal to the applicable Federal Rate as defined by the Internal Revenue Service.

24 (c) **Continued Liability of GEBPS.** An assignment by GEBPS of
25 its rights and obligations as Buyer will not release it from liability for ensuring payment of
26 the New Senior Investment Cash Consideration.

27 (d) **Revesting of Assets in Reorganized Debtors.** The Assets of
28 the Estate of each Debtor, respectively, will revest, as applicable, in each Reorganized

1 Debtor, respectively. From and after the Effective Date, each Reorganized Debtor may
2 operate its business and use, acquire, and dispose of property free of any restrictions of the
3 Code, the Rules and the Court. As of the Effective Date, and except as provided in the
4 Plan, (1) all property of Reorganized Debtors will be free and clear of all Liens, Claims,
5 encumbrances, and interests, and (2) all Liens, Claims, encumbrances and interests,
6 including Equity Interests, will be both discharged and released as to each Reorganized
7 Debtor.

8 **9.3 Issuance of New ATI Common Stock.** In consideration of
9 Reorganized ATG's agreement in the Plan to contribute to the payment of Claims against
10 ATI under the Plan, and in accordance with the terms of the Plan, Reorganized ATG will
11 receive the New ATI Common Stock, which will constitute all of the authorized common
12 stock of Reorganized ATI.

13 **9.4 Issuance of New SCS Common Stock.** In consideration of
14 Reorganized ATI's agreement in the Plan to contribute to the payment of Claims against
15 SCS under the Plan, and in accordance with the terms of the Plan, Reorganized ATI will
16 receive the New SCS Common Stock, which will constitute all of the authorized common
17 stock of Reorganized SCS.

18 **9.5 Directors and Officers.**

19 (a) The authority, power and incumbency of the persons then
20 acting as directors and officers of each Debtor will be terminated, they will be deemed to
21 have resigned and (except in respect of any claim arising or relating to the period before
22 their termination) they will be released from and discharged of any further authority,
23 duties, responsibilities and obligations relating to, arising from and in connection with
24 Debtors, and

25 (b) The New Directors and the New Officers will be deemed to
26 have been elected to their respective positions with Reorganized ATG. In due course,
27 Reorganized ATG will appoint or cause to be appointed new directors of Reorganized ATI
28

1 and of Reorganized SCS, who in turn will elect new officers of Reorganized ATI and
2 Reorganized SCS.

3 **9.6 Payment of Fee Claims.**

4 (a) On the Effective Date, GEBPS or its assignee will forward to
5 the Liquidation Trust all amounts then owed to Debtors under the Expense Disbursement
6 Letter, and thereafter make such further payments to the Liquidation Trust as required by
7 the Expense Disbursement Letter.

8 (b) Subject to Article V, the Liquidation Trustee will disburse
9 funds from the Liquidation Trust to pay all Allowed Fee Claims and the fees of
10 professionals for the Administrative Agent.

11 (c) Final payment of Fee Claims will exclude the amount of any
12 remaining unapplied retainers held by, for or on behalf of any Professional. Unapplied
13 retainers held by a Professional after payment of that Professional in full for all services
14 and expenses related to the Chapter 11 Cases will be returned to the Liquidation Trustee
15 for distribution to the Allowed Class 2A Claims.

16 (d) On the Effective Date, all obligations of GEBPS under the
17 Expense Disbursement Letter will continue in full force and effect, with the Liquidation
18 Trust succeeding to the rights of ATG thereunder.

19 **9.7 Exemption from Certain Securities Laws.** Under Section 1145(a)
20 of the Code, issuance of New ATG Common Stock, New Debt, New ATI Common Stock,
21 and New SCS Common Stock to be distributed under the Plan, and the subsequent resale
22 of those securities by entities that are not “underwriters” (as per Section 1145(b) of the
23 Code) are not subject to the registration requirements of Section 5 of the Securities Act of
24 1933, as amended, or any state or local law requiring registration for the offer or sale of a
25 security.

26 **9.8 Creditors’ Committee.** The Creditors’ Committee will remain in
27 existence until the Class 4 Claims are fully Allowed or disallowed and determined, the
28 Avoidance Claims are concluded and all Plan distributions are completed. Thereafter, it

1 will be dissolved and released from all further authority, duties, responsibilities and
2 obligations relating to, arising from or in connection with the Chapter 11 Cases. From and
3 after the Effective Date, the Liquidation Trust will pay all Fee Claims of counsel for the
4 Creditors' Committee . Reorganized Debtor will have no responsibility for those
5 payments.

6 7 ARTICLE X

8 PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

9 **10.1 Objection Deadline.** As soon as practicable, but in no event later
10 than 90 days after the Effective Date (subject to extension by the Court on motion of
11 Reorganized Debtors or the Liquidation Trustee, without notice or hearing), objections to
12 Claims will be filed with the Court and served on holders of each Claim to which objection
13 is made.

14 **10.2 Prosecution of Disputed Claims.** The Liquidation Trustee will have
15 primary responsibility for objecting to the allowance of any Fee Claim or Class 4 Claim.
16 Reorganized Debtors will have the sole responsibility to object to Administrative Claims,
17 Priority Tax Claims or Priority Claims, and to determine those executory contracts of
18 Class 4 creditors to be assumed and cured under Section 14.1(c). The Liquidation Trustee
19 and Reorganized Debtors, as the case may be, are empowered, but not required, to
20 consensually resolve disputes regarding the allowance, classification or amount of any
21 Claim for which it has authority. Objections that are filed and prosecuted as provided in
22 this Section will be litigated to Final Order or compromised and settled in accordance with
23 Section 10.3.

24 **10.3 Claims Settlement Procedures.** Notwithstanding any requirement
25 that may be imposed by Rule 9019, from and after the Effective Date, all Claims may be
26 compromised and settled, with approval of the Court, by Reorganized Debtors or the
27 Liquidation Trustee, as the case may be, pursuant to their authority under Section 10.2.
28

1 **ARTICLE XI**

2 **DISTRIBUTIONS**

3 11.1 **Distributions after Allowance.** Distributions to holders of a
4 Disputed Claim, to the extent that the Claim ultimately becomes allowed, will be made by
5 Reorganized Debtors or the Liquidation Trustee, as appropriate, according to the
6 provisions of the Plan governing the Class of Claims to which the Creditor belongs.

7 11.2 **Transmittal of Distributions and Notices.**

8 (a) Any property or notice that a Person is or becomes entitled to
9 receive under the Plan may be delivered by regular mail, postage prepaid, in an envelope
10 addressed to that Person at the address indicated on any notice of appearance filed by the
11 Person or its authorized agent before the Effective Date. If no notice of appearance has
12 been filed, notice will be sent to the address indicated on a properly filed proof of claim or,
13 absent a proof of claim, to the address in the relevant Schedule of Assets and Liabilities for
14 the Person. Property distributed in accordance with this Section will be deemed delivered
15 to a Person, regardless of whether it is actually received.

16 (b) Holders of a Claim or Equity Interest may designate a different
17 address for notices and distributions by notifying Reorganized Debtors and the Liquidation
18 Trustee, or with respect to a holder of a Class 2A Claim, the Administrative Agent, of that
19 address in writing. To be effective, changes of address by a party entitled to receive
20 distributions under the Plan will be by registered mail. Notification will be effective on
21 receipt.

22 11.3 **Distributions to Holders of Class 2A Claims.**

23 (a) **The Administrative Agent as Creditor.** The Administrative
24 Agent will be deemed to be the sole holder of all Allowed Class 2A Claims for the
25 purposes of distributions under the Plan and the Liquidation Trust Agreement.

26 (b) **Obligation of Administrative Agent to Transmit**
27 **Distributions.** The Administrative Agent will distribute all distributions that it receives to
28 the members of Class 2A. The Administrative Agent will make these distributions as soon

1 after they are received as is reasonably practicable and in accordance with the Senior
2 Secured Documents. Distributions will be without prejudice to the Administrative Agent's
3 rights to reimbursement or payment of fees, expenses and other charges under the Senior
4 Secured Documents.

5 **11.4 Disputed Payment.** If a dispute arises as to the identity of a holder of
6 an Allowed Claim who is to receive a distribution, Reorganized Debtors and the
7 Liquidation Trustee may, in lieu of making the distribution to that Person, make it into an
8 escrow account until the proper disposition has been determined by Court order or by a
9 written agreement among the interested parties to the dispute.

10 **11.5 Unclaimed Property.** If a distribution remains unclaimed for a
11 period of six months after it has been delivered (or attempted to be delivered) to the holder
12 entitled to receive it under the Plan, the holder will forfeit the Unclaimed Property.
13 Thereupon, all right, title and interest in and to the Unclaimed Property will immediately
14 and irrevocably vest in the Liquidation Trust. The holder of an Allowed Claim previously
15 entitled to Unclaimed Property will thereafter cease to be entitled to it.

16 **11.6 Distributions on Non-Business Days.** Any payment or distribution
17 due on a day other than a Business Day will be made, without interest, on the next
18 Business Day.

19 **11.7 De-Minimis Distributions.** Neither Reorganized Debtors nor the
20 Liquidation Trustee will make any distributions of less than \$50.00 to the holder of any
21 Claim.

22 **ARTICLE XII**

23 **ALTERNATIVE PLAN**

24 GEBPS can terminate the Plan and the Investment Agreement, in its sole
25 discretion, on written notice at any time before the Confirmation Date. Further, the
26 Investment Agreement can be terminated by GEBPS or Debtors on 5 business days written
27 notice, if the following milestones are not met, subject to an extension as a result of certain
28

1 agreed upon delays:

2 (1) January 20, 2003 – Filing by Debtors of a plan and disclosure
3 statement acceptable to GEBPS;

4 (2) February 28, 2003 – Entry of an order by the Court approving the
5 disclosure statement;

6 (3) April 22, 2003 – Entry of the Confirmation Order;

7 (4) May 2, 2003 – The Effective Date.

8 These milestones may be extended as a result of certain delays, but in no
9 event may the Effective Date be extended beyond May 30, 2003.

10 If either GEBPS or Debtors terminate the Investment Agreement, or if
11 GEBPS abandons the Plan, GEBPS and Debtors are obligated to close the APA in
12 accordance with its terms. If GEBPS terminates the Investment Agreement and, as a
13 result, closes the APA, Debtors will be not be able to consummate the Plan. If this occurs,
14 Debtors will exercise their rights to modify the Plan in compliance with Code Sections
15 1127 and 1125.

16 ARTICLE XIII

17 SUBSTANTIVE CONSOLIDATION

18 13.1 Substantive Consolidation. The Plan contemplates and is predicated
19 on, the substantive consolidation of the Chapter 11 Cases into a single Chapter 11 case,
20 solely for the purposes of consummating the Plan as set forth in this Article. On the
21 Confirmation Date, but subject to the occurrence of the Effective Date (a) all intercompany
22 Claims by and among Debtors will be eliminated, (b) all assets and liabilities of Debtors
23 will be merged or treated as though they were merged, except as set forth in the Plan with
24 regard to the New ATG Common Stock, New ATI Common Stock and New SCS
25 Common Stock, which interests will remain separate and distinct, (c) all prepetition cross-
26 corporate guarantees of Debtors will be eliminated, (d) all Claims based on guarantees of
27 collection, payment or performance made by one or more Debtors as to the obligations of
28

1 any other Person, including another Debtor, will be discharged, released and of no further
2 force and effect, (e) any obligation of a Debtor and all guarantees of those obligations
3 executed by one or more of the Debtors will be deemed to be one obligation of the
4 consolidated Debtors, (f) any Claims filed or to be filed in connection with any obligation
5 or guarantee will be deemed one Claim against the consolidated Debtors, and (g) every
6 Claim filed in the individual Chapter 11 Case of a Debtor will be deemed filed against the
7 consolidated Debtors in the consolidated Chapter 11 Cases and will be deemed a single
8 obligation of all Debtors under the Plan on and after the Confirmation Date; provided,
9 however, that nothing in this Section will affect the obligations of each Debtor under the
10 Plan.

11 **13.2 Order Granting Substantive Consolidation.** The Plan will serve as
12 a properly noticed motion seeking entry of an order substantively consolidating the
13 Chapter 11 Cases as described in Section 13.1. Unless an objection to the consolidation is
14 made, in writing, by a Creditor affected by the Plan on or before the date fixed by the
15 Court as the last date on which acceptances to the Plan may be received, or such other date
16 as may be fixed by the Court, an order consolidating the Chapter 11 Cases (which may be
17 the Confirmation Order) will be entered by the Court. If any objections are timely filed, a
18 hearing with respect to the objections will occur at the Confirmation Hearing.

19 **ARTICLE XIV**

20 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

21 **14.1 Assumption or Rejection of Executory Contracts and Unexpired** 22 **Leases.**

23 (a) On the Effective Date, Debtors will reject all executory
24 contracts and unexpired leases of the Estates under Sections 365 and 1123 of the Code,
25 except:

26 (1) any that are the subject of an order authorizing Debtors
27 to assume or assume and assign them pursuant to Section 365 of the Code, including that
28

1 certain Final Order entered by the Court on June 21, 2002, entitled "Order Under
2 Section 365 Approving Assumption and Assignment of Certain Executory Contracts and
3 Unexpired Leases" (the "365 Order"), provided that (A) Reorganized Debtors and the non-
4 Debtor party to the executory contract or unexpired lease have reached a separate, written
5 agreement resolving all issues related to the assumption or the assumption and assignment
6 (as the case may be) of the executory contract or unexpired lease, including issues
7 resolving the proper "cure" amounts due and owing, or (B) Reorganized Debtors have
8 determined that there is no dispute as to the amount necessary to "cure" the executory
9 contract or unexpired lease and therefore a separate written agreement is not required;

10 (2) any listed in the Executory Contract Schedule which
11 will be served and filed by Debtors at least 30 days before the Confirmation Hearing and
12 which will provide, as of the Effective Date, for the assumption, or assumption and
13 assignment, of certain executory contracts or unexpired leases that are not or do not
14 become the subject of a dispute over the amount or manner of "cure" under Section 14.3;

15 (3) any that have actually been assumed by order of the
16 Court entered before the Confirmation Date and not subsequently rejected pursuant to an
17 order of the Court; and

18 (4) any other agreement, obligation, security interest,
19 transaction or similar undertaking that Debtors believe is not an executory contract or
20 lease, but that is later determined by the Court to be an executory contract or unexpired
21 lease subject to assumption or rejection under Section 365 of the Code, which agreements
22 will be subject to assumption or rejection within 30 days of that determination.

23 (b) Subject to Section 14.1(a) and Section 14.3, the Confirmation
24 Order will constitute an order of the Court approving the rejection of executory contracts
25 and unexpired leases, the rejection of which is provided for in Section 14.1(a) pursuant to
26 Sections 365 and 1123 of the Code. That rejection will be deemed effective as of the
27 Petition Date.
28

1 (c) Reorganized ATG will assume executory contracts and
2 unexpired leases that have "cure" Claims on Debtors' books and records, in the aggregate,
3 of no less than \$5,700,000 as set forth in the APA. The amount of the "cure" claims
4 referred to in the preceding sentence will be determined solely by the amounts referred to
5 in (1) the 365 Order, and (2) Exhibit A to the 365 Order.

6 **14.2 Bar Date for Rejection Damages.** If the rejection of an executory
7 contract or unexpired lease under the Plan gives rise to a Claim by the non-Debtor party to
8 the contract or lease, the Claim, to the extent that it is timely filed and is an Allowed
9 Claim, will be classified as a Class 4 Claim. However, the Claim arising from the
10 rejection will be forever barred and will not be enforceable against Debtors, unless a proof
11 of the Claim is filed with the Court and served on Reorganized ATG within 45 days after
12 the date the order of the Court rejecting the executory contract or unexpired lease is
13 entered.

14 **14.3 Objection to Cure/Assumption.** If a non-Debtor party to an
15 executory contract or unexpired lease, other than a non-Debtor party to an executory
16 contract or unexpired lease listed in Exhibit A or Exhibit B to the 365 Order, opposes the
17 "cure," assumption, or assumption and assignment of its executory contract or unexpired
18 lease under the Code, the non-Debtor party must file and serve a written objection to the
19 "cure," assumption or assumption and assignment at least five days before the
20 Confirmation Hearing. The failure to timely file and serve an objection will be a waiver of
21 any objection to the assumption or the "cure" amount. Moreover, the waiving party, its
22 successors and assigns, will be forever barred from contesting the assumption or asserting
23 a claim for additional amounts against Debtors, Reorganized Debtors, Buyers, GECC,
24 GEBPS and their respective estates, successors or assigns.

1
2 **ARTICLE XV**

3 **ADMINISTRATIVE PROVISIONS**

4 **15.1 Retention of Jurisdiction.** The Court will retain such jurisdiction as
5 is legally permissible, including for the following purposes:

6 (a) To determine the allowability, classification or priority of
7 Claims on objection by Reorganized ATG or any other party in interest entitled to file an
8 objection, and to determine the validity, extent, priority and nonavoidability of consensual
9 and nonconsensual Liens and other encumbrances;

10 (b) To issue injunctions, take such other actions or make such
11 other orders as may be necessary or appropriate to restrain interference with the Plan or its
12 execution or implementation by any Person, to construe and to take any other action to
13 enforce and execute the Plan, the Confirmation Order, or any other order of the Court, to
14 issue such orders as may be necessary for the implementation, execution, performance and
15 consummation of the Plan and all matters it refers to, and to determine all matters that may
16 be pending before the Court in the Chapter 11 Cases on or before the Effective Date with
17 respect to any Person;

18 (c) To protect the property of the Estates, including all Assigned
19 Rights (and further including all Avoidance Claims), from claims against, or interference
20 with, such property, including actions to quiet or otherwise clear title to such property or to
21 resolve any dispute concerning Liens, security interests or encumbrances on any property
22 of the Estates;

23 (d) To interpret and enforce the terms of the Liquidation Trust
24 Agreement;

25 (e) To determine all applications for allowance of Fee Claims;

26 (f) To determine any Priority Tax Claims, Priority Claims,
27 Administrative Claims or any other request for Allowance or payment of Claims or
28 expenses entitled to priority under Section 507(a) of the Code;

1 (g) To resolve any dispute arising under or related to the
2 implementation, execution, consummation or interpretation of the Plan and the making of
3 distributions under it;

4 (h) To determine all motions related to the rejection, assumption or
5 assignment of executory contracts or unexpired leases, or to determine any motion to reject
6 an executory contract or unexpired lease under Section 14.1;

7 (i) To determine all applications, motions, adversary proceedings,
8 contested matters, actions, and any other litigated matters instituted in and before the
9 closing of the Chapter 11 Cases, including any remands;

10 (j) To enter a Final Order closing the Chapter 11 Cases;

11 (k) To modify the Plan under Section 1127 of the Code, remedy
12 any defect, cure any omission, or reconcile any inconsistency in the Plan or the
13 Confirmation Order so as to carry out its intent and purposes;

14 (l) To issue such orders in aid of consummation of the Plan and
15 the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law,
16 with respect to any Person, to the full extent authorized by the Code;

17 (m) To enable Reorganized Debtors and, as applicable, the
18 Liquidation Trustee to prosecute all proceedings to set aside Liens or encumbrances and to
19 recover any transfers, assets, properties or damages to which Debtors may be entitled
20 under applicable provisions of the Code or any other federal, state or local laws except as
21 may be waived pursuant to the Plan;

22 (n) To determine any tax liability under Section 505 of the Code;

23 (o) To enter and implement such orders as may be appropriate if
24 the Confirmation Order is for any reason stayed, revoked, modified or vacated;

25 (p) To resolve any disputes concerning whether a Person had
26 sufficient notice of the Chapter 11 Cases, the applicable Claims bar date, the hearing to
27 consider approval of the Disclosure Statement or the Confirmation Hearing or for any
28 other purpose;

1 (q) To resolve any dispute or matter arising under or in connection
2 with any order of the Court entered in the Chapter 11 Cases;

3 (r) To hear and resolve litigation matters, including the Avoidance
4 Claims, whether commenced by Reorganized Debtors or the Liquidation Trustee;

5 (s) To approve any Claims settlement entered into or offset
6 exercised by Debtors, the Liquidating Trustee or Reorganized Debtors; and

7 (t) To determine such other matters, and for such other purposes,
8 as may be provided in the Confirmation Order or as may be authorized under provisions of
9 the Code.

10 **15.2 Amendments to Plan.**

11 (a) **Preconfirmation Amendment.** Debtors may modify the Plan
12 at any time before the Confirmation Order is entered provided that the Plan, as modified,
13 and the Disclosure Statement pertaining to it meet applicable Code requirements.

14 (b) **Postconfirmation Amendment Not Requiring**
15 **Resolicitation.** After entry of the Confirmation Order, Debtors or Reorganized Debtors
16 may modify the Plan to remedy any defect or omission or to reconcile any inconsistencies
17 in it or in the Confirmation Order, as may be necessary to carry out its purposes and effects
18 of the Plan, provided that (1) Debtors or Reorganized Debtors obtain approval of the Court
19 for the modification, after notice and a hearing, and (2) the modification does not
20 materially and adversely affect the interests, rights, treatment or distributions of any
21 Class of Allowed Claims or Equity Interests under the Plan. Any waiver under
22 Section 15.3 will not be considered to be a modification of the Plan.

23 (c) **Postconfirmation/Preconsummation Amendment**
24 **Requiring Resolicitation.** After the Confirmation Date and before substantial
25 consummation of the Plan, Debtors or Reorganized Debtors may modify the Plan in a way
26 that materially or adversely affects the interests, rights, treatment, or distributions of a
27 Class of Claims or Equity Interests, provided that (1) the Plan, as modified, meets
28 applicable Code requirements, (2) Court approval is obtained for the modification, after

1 notice and a hearing, (3) the modification is accepted by at least two-thirds in amount, and
2 more than one-half in number, of Allowed Claims or Equity Interests voting and entitled to
3 vote in each Class affected by the modification, and (4) Debtors and/or Reorganized
4 Debtors, as applicable, comply with Section 1125 of the Code with respect to the Plan as
5 modified.

6 **15.3 Successors and Assigns.** The rights, benefits and obligations of any
7 Person named or referred to in the Plan will be binding on, and will inure to the benefit of,
8 the heirs, executors, administrators, successors and/or assigns of that Person.

9 **15.4 Exemption from Transfer Taxes.** Pursuant to Section 1146(c) of the
10 Code, the issuance, transfer, or exchange of notes or equity securities under the Plan by
11 Debtors or Reorganized Debtors, the creation of any mortgage, deed of trust, or other
12 security interest, the making or assignment of any lease or sublease, or the making or
13 delivery of any deed or instrument of transfer under, in furtherance of, or in connection
14 with the Plan, including the issuance of the Reorganized Stock or New Senior Investment,
15 transfers of assets by Reorganized Debtors in furtherance of the Plan, will not be subject to
16 any stamp, real estate transfer, mortgage recording, or other similar tax.

17 **15.5 Corporate Action.** The dissolution of Debtors and any other matters
18 provided for under the Plan involving the corporate or entity structure of any Debtor or
19 corporate action, as the case may be, to be taken by or required of any Debtor will be
20 deemed to have occurred and be effective as provided in the Plan and will be authorized
21 and approved in all respects, without any requirement of further action by stockholders or
22 directors of Debtors or Reorganized Debtors, as the case may be.

23 **15.6 Effectuating Documents and Further Transactions.** Each Debtor
24 and Reorganized Debtor will be authorized to execute, deliver, file, or record such
25 documents, contracts, instruments, releases, and other agreements and take such other
26 actions as may be necessary to effectuate and further evidence the terms of the Plan. On or
27 before the Effective Date, Debtors will file with the Court such agreements and other
28 documents as may be necessary or appropriate to effectuate and further evidence the terms

1 and conditions of the Plan.

2 **15.7 Severability.** If any provision of the Plan is determined to be
3 unenforceable, the determination will not limit or affect the enforceability and operative
4 effect of any other provisions of the Plan.

5 **15.8 Exculpation of Certain Persons.** As of the Effective Date, the Plan
6 will be deemed to satisfy, waive and release in full any and all Persons who have held or
7 may hold claims, any Equity Interest holder or Debtors against the Responsible Individual,
8 Debtors, the Creditors' Committee, the members of the Creditors' Committee and GEBPS,
9 and each of their present employees, officers, directors, agents, advisors, attorneys or
10 accountants, from any Claim arising out of or in connection with any act or failure to act in
11 connection with their rights and duties arising under or related to the Chapter 11 Cases
12 from the Petition Date to and including the Effective Date, except any (a) unknown claims,
13 and (b) claims expressly created or preserved under the terms of the Plan or any documents
14 executed, or to be executed, in connection with the Plan. Except as expressly provided in
15 the Plan or any document executed or to be executed in connection with the Plan, neither
16 Debtors, the Responsible Individual, the Creditors' Committee, its members, GEBPS nor
17 any of their respective present employees, officers, directors, agents, advisors, attorneys or
18 accountants, will have any liability to Debtors, the Responsible Individual, the Creditors'
19 Committee and its members, GEBPS, nor any of their respective employees, officers,
20 directors, agents, advisors, attorneys or accountants for actions taken or omitted to be taken
21 under or in connection with the Plan or the Chapter 11 Cases from the Petition Date to and
22 including the Effective Date. Notwithstanding the foregoing, Debtors (or their successors
23 or assigns under the respective agreements) and GEBPS (or its successors or assigns under
24 the respective agreements) will not release each other from, and will continue to have
25 liability to each other under the agreements between GEBPS and Debtors entered into after
the Petition Date, in accordance with their respective terms.

26 **15.9 Injunction.** On entry of the Confirmation Order, and except as
27 otherwise expressly provided in the Plan or in connection with its enforcement, all Persons
28

1 who have held, hold or may hold Claims against Debtors, Reorganized Debtors or GEBPS
2 that arose before the Effective Date are permanently enjoined from (a) commencing or
3 continuing in any manner, directly or indirectly, any action or other proceeding of any kind
4 against Debtors, Reorganized Debtors or GEBPS, or any property of Debtors, Reorganized
5 Debtors or GEBPS, with respect to any such Claim, (b) the enforcement, attachment,
6 collection or recovery by any manner or means, directly or indirectly, of any judgment,
7 award, decree, or order against Debtors, Reorganized Debtors or GEBPS, or any property
8 of Debtors, Reorganized Debtors or GEBPS, with respect to any such Claim, (c) creating,
9 perfecting or enforcing, directly or indirectly, any Lien or encumbrance of any kind against
10 Debtors, Reorganized Debtors or GEBPS, or any property of Debtors, Reorganized
11 Debtors or GEBPS, with respect to any such Claim, and (d) asserting, directly or
12 indirectly, any setoff, or right of subrogation of any kind against any obligation due
13 Debtors, Reorganized Debtors or GEBPS, or any property of Debtors, Reorganized
14 Debtors or GEBPS, with respect to any such Claim.

15 Notwithstanding the foregoing, Debtors (or their successors or assigns under
16 the respective agreements) and GEBPS (or its successors or assigns under the respective
17 agreements) will not release each other from, and will continue to have liability to each
18 other under the agreements between GEBPS and Debtors entered into after the Petition
19 Date, in accordance with their respective terms.

20 Nothing contained in this Section 15.9 will prohibit the holder of a timely-
21 filed proof of Claim from litigating its right to seek to have that Claim declared an
22 Allowed Claim and paid in accordance with the distribution provisions of the Plan, or
23 enjoin or prohibit the interpretation or enforcement by the claimant of any of the
24 obligations of Debtors and Reorganized ATG under the Plan.

25 **15.10 Blank Ballots.** Any ballot that is executed by a Creditor entitled to
26 vote to accept or reject the Plan, but which indicates neither acceptance nor rejection, will
27 be deemed an acceptance of the Plan. Any ballot that does not comply with the filing
28 instructions on the ballot will not be counted for voting purposes.

1 15.11 Discharge. On the Effective Date, and except as provided in the Plan,
2 Debtors, Reorganized ATG, Reorganized SCS and Reorganized ATI and their property
3 will, to the fullest extent permitted by Section 1141 of the Code, be deemed discharged
4 and released from all Claims and interests that arose before the Confirmation Date.

5
6 Dated: February 25, 2003

ADVANCED TELCOM GROUP, INC.

7 By: Gary Cuccio
8 Gary Cuccio

9 ADVANCED TELCOM, INC.

10 By: Gary Cuccio
11 Gary Cuccio

12 SHARED COMMUNICATION SERVICES, INC.

13 By: Gary Cuccio
14 Gary Cuccio

15 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

16
17 Dated: February 25, 2003

18 By: Craig Stuppi
19 Craig Stuppi

20 Bankruptcy Reorganization Counsel
21 for Debtors and Debtors-in-Possession
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EXHIBIT "1"

To the Plan

DEFINITIONS

1 **EXHIBIT 1**

2 **DEFINITIONS**

3
4 1. "Adjusted Pro Rata" is a number (expressed as a percentage) equal
5 to the proportion that an Allowed Class 2A Deficiency Claim or an Allowed Unsecured
6 Claim, as the case may be, bears to the aggregate amount of (a) all Allowed Class 2A
7 Deficiency Claims and Allowed Unsecured Claims, plus (b) disputed Claims of holders of
8 Unsecured Claims (in their aggregate face amount) as of the date of determination.

9
10 2. "Administrative Agent" is Wachovia Bank, N.A.

11
12 3. "Administrative Claim" is a Claim, other than a Fee Claim, a
13 Priority Tax Claim or a Priority Claim, for costs or expenses of administration allowed
14 under Section 503(b) of the Code, including the actual, necessary costs and expenses
15 incurred after the Petition Date to preserve the Estates and operate Debtors' businesses
16 (such as wages, salaries, taxes or commissions for services rendered); and all fees and
17 charges assessed against the Estates under to Section 1930 of Title 28 of the United States
18 Code.

19
20 4. "Allowed" means, with respect to a Claim, the amount of such Claim:
21 (a) that is scheduled by a Debtor pursuant to the Code and the Rules in a liquidated amount
22 and that is not listed as contingent, unliquidated or disputed; (b) proof of which has been
23 timely filed, or deemed timely filed under applicable law or order of the Court, with the
24 Court pursuant to the Code, the Rules and any applicable orders of the Court, or late filed
25 with leave of the Court after notice and a hearing; or (c) if such Claim is an Administrative
26 Claim, proof of which, or application for which, has been timely filed, or deemed timely
27 filed under applicable law or order of the Court, with the Court pursuant to the Code, the
28 Rules and any applicable orders of the Court, or late filed with leave of the Court after
notice and a hearing, and which, with respect to each of the foregoing clauses (a), (b) and
(c); (1) has not been objected to within the period fixed by the Plan, the Rules and
applicable orders of the Court or (2) has otherwise been Allowed by a Final Order or as set
forth in the Plan.

19
20 5. "Allowed Claim" is a Claim that is Allowed, regardless of whether it
21 became Allowed before or after the Effective Date. The amount of a Claim that is
22 Allowed will be net of any valid setoff exercised with respect to it under the Code. Unless
23 otherwise specified, in Section 506(b) of the Code or by order of the Court, an "Allowed
24 Claim," will not, for purposes of distribution under the Plan, include (a) interest on any
25 Claim accruing from or after the Petition Date, (b) punitive or exemplary damages, or
26 (c) any fine, penalty or forfeiture.

27
28 6. "APA" is the Asset Purchase Agreement dated as of June 21, 2002,
entered into, with Court approval, by Debtors and GEBPS, including all schedules and
exhibits to it, as the same may have been amended, modified or supplemented from time to
time. A copy of the APA is on file with the Court.

29
30 7. "Assigned Rights" are all rights, Causes of Action, payments or other
receipts in connection with the following that existed on, or had accrued (unless otherwise
noted) as of the Effective Date, and all proceeds thereof received thereafter: (a) all loans or
advances by Debtors to any of their officers or former officers, (b) all insurance proceeds
other than those referred to in clause (a) of the definition of Distributable Cash, (c) up to
\$305,000 of Debtors' accounts receivable from Fairpoint Communications Solutions
Corporation existing on July 15, 2002, (d) Debtors' rights with respect to that certain

1 aircraft hanger space located in Santa Rosa, California, together with any fixtures, facilities
2 or equipment of Debtors owned or held for use at that location and any proceeds from the
3 disposition, (e) the performance bonds and cash collateral for letters of credit set forth on
4 Schedule 2.02(j) to the APA, (f) all claims against third parties other than Avoidance
5 Claims and claims against third parties relating to the assets of Debtors that (1) were
6 subject to transfer to GEBPS pursuant to the APA, or (2) related solely to the business of
7 Debtors related to those assets, subject to transfer to GEBPS, and any set-offs or
8 counterclaims relating to the Assumed Liabilities (as defined in the APA), whether choate
9 or inchoate, known or unknown, contingent or noncontingent, (g) all claims of Debtors
10 against U.S. TelePacific Corporation, whether arising pre- or post-petition, relating to the
11 period prior to the Effective Date, (h) the properties, rights and assets used owned or held
12 by any Debtor that relate solely to the assets described as Parcel B, Parcel E and Parcel H
13 in Exhibit C to the APA, (i) all right, title and interest of Debtors under the Holdback
14 Escrow Agreement, the Expense Disbursement Letter and the Management Agreement;
15 provided, that each of the foregoing will also be subject to all claims and offsets existing as
16 of the Effective Date or relating to the period before the Effective Date.

17 **8. "Avoidance Claims"** are all Claims, rights and Causes of Action
18 assertable by Debtors, their successors or assignees, including an action brought under
19 Sections 541, 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Code and applicable
20 state law.

21 **9. "Bar Date"** is the last date for filing proofs of Claim against Debtors
22 set by the Court.

23 **10. "Business Day"** is any day except a Saturday, Sunday, or "legal
24 holiday" as that term is defined in Rule 9006(a).

25 **11. "Buyer"** is GEBPS or its designee (as provided in the Investment
26 Agreement) in its capacity as the purchaser of the New Senior Investment.

27 **12. "Causes of Action"** are actions, claims, Liens, liabilities, obligations,
28 rights, suits, debts, sums of money, damages, judgments and demands whatsoever, whether
known or unknown, in law, equity or otherwise.

13. "Chapter 11 Cases" are the ATG, ATI and SCS Chapter 11 cases
filed on May 2, 2002.

14. "Claim" is a claim as defined in Code Section 101(5) against a
Debtor, including (a) any asserted right to payment from any of Debtors, whether or not
that right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,
unmatured, disputed, undisputed, legal, equitable, secured or unsecured, (b) any asserted
right to an equitable remedy for breach of performance if the breach gives rise to a right of
payment from any of Debtors, whether or not the right to an equitable remedy is reduced to
a judgment, fixed, contingent, matured, unliquidated, undisputed, secured or
unsecured, or (c) any asserted right under Section 502(h) of the Code.

15. "Class" is a category of holders of Claims or Equity Interests
described in Article IV of the Plan.

16. "Class 2A Deficiency Claim" will be the amount of the Deficiency
Claim of each holder of Class 2A Claims determined by the Administrative Agent, Debtors
and the Creditors' Committee on or before the Effective Date. If no determination is
agreed upon, the Court will retain jurisdiction to make such determination.

1 17. "Code" is Title 11 of the United States Code, as now in effect or
2 hereafter amended.

3 18. "Collateral" is property of Debtors that secures a Claim, up to the
4 amount of the Claim.

5 19. "Confirmation Date" is the date on which the Court enters the
6 Confirmation Order on its docket.

7 20. "Confirmation Hearing" is the hearing pursuant to which the Court
8 enters the Confirmation Order.

9 21. "Confirmation Order" is the order of the Court confirming the Plan
10 pursuant to Section 1129 of the Code.

11 22. "Creditor" is any Person holding a Claim.

12 23. "Court" is the United States Bankruptcy Court for the Northern
13 District of California, Santa Rosa Division, or any other court exercising competent
14 jurisdiction over the Chapter 11 Cases or any proceeding therein.

15 24. "Creditors' Committee" is the Official Committee of Unsecured
16 Creditors in the Chapter 11 Cases, as appointed by the United States Trustee and
17 reconstituted from time to time.

18 25. "Deficiency Claim" is a claim by a Creditor arising out of the same
19 transaction as a Secured Claim to the extent that the value, as determined by the Court
20 under to Section 506(a) of the Code, of the Creditor's interest in property of Debtors'
21 estates securing the Claim is less than the amount of the Claim which has the benefit of
22 that security as provided by Section 506(a) of the Code.

23 26. "Disputed Claim" is (a) if no proof of Claim has been timely filed or
24 deemed timely filed under applicable law or order of the Court, a Claim that has been
25 listed on a Debtor's Schedules of Assets and Liabilities as disputed, contingent or
26 unliquidated, but as to which no later than the Effective Date an objection has been filed,
27 or (b) if a proof of Claim has been filed or deemed timely filed under applicable law or
28 order of the Court, a proof of Claim as to which an objection has been timely filed and has
not been withdrawn, overruled or denied by a Final Order, or granted in whole by a Final
Order. For the purposes of the Plan a Claim is considered a Disputed Claim in its entirety
before the time that an objection has been or may be filed if: (1) the amount or
classification of the Claim specified in the relevant proof of Claim exceeds the amount or
classification of any corresponding Claim scheduled by the appropriate Debtor in its
Schedules of Assets and Liabilities, (2) any corresponding Claim scheduled by any of
Debtors that has been scheduled as disputed, contingent or unliquidated, or (3) no
corresponding Claim has been scheduled by the appropriate Debtor in its Schedules of
Assets and Liabilities.

 27. "Distributable Cash" is all cash held by Debtors in all accounts at
the close of business on the day immediately preceding the Effective Date except for:

 (a) insurance proceeds paid after July 15, 2002, with respect to any
damage, destruction or loss of any property of Debtors, or any right or interest therein, that
was subject to transfer to GEBPS under the APA or otherwise relating to any of the
liabilities to be assumed by GEBPS under the APA, including any assets, rights or interests

1 that could reasonably be expected to have been included in the property transferred to
2 GEBPS but for such damage, destruction or loss;

3 (b) all prepaid expenses, deposits, claims for refunds and rights of
4 offset relating to the Business, as defined in the APA, on the Effective Date, except for up
5 to \$305,000 of Debtors' accounts receivable from Fairpoint Communications Solutions
6 Corporation existing on July 15, 2002;

7 (c) all proceeds and products resulting from the sale or other
8 disposition of any of Asset that was subject to transfer to GEBPS under the APA (other
9 than the real property interests that were subject thereto) that would have been included in
10 the Assets but for such sale or disposition, as well as any improvements, accessions or
11 accretions to any of the foregoing at any time during the period from and after July 15,
12 2002 up to and including the Effective Date;

13 (d) the Unsecured Distribution Reserve, as defined herein;

14 (e) any cash (1) payable to GEBPS under the Management
15 Agreement as of the Effective Date, or (2) required to be deposited as of the Effective Date
16 into the A/R Escrow (as defined in the APA) if and to the extent that amount would be
17 distributed to GEBPS under the A/R Escrow Agreement (as defined in the APA); and

18 (f) all amounts set aside for the Liquidation Trust pursuant to the
19 budget provided in Section 9.1(c) of the Plan.

20 28. "Effective Date" is the 10th day after the entry of the Confirmation
21 Order unless a stay of the Confirmation Order is in effect in which case the "Effective
22 Date" is the first business day after the date the stay is vacated.

23 29. "Equity Interest" is any ownership or equity interest in any of
24 Debtors, including ATG's (a) common stock, (b) Series A Preferred Stock, (c) Series B
25 Preferred Stock, (d) Series C Preferred Stock, (e) Series D Preferred Stock, (f) Series D-1
26 Preferred Stock, (g) Series E Preferred Stock, and (h) non-voting and unissued Class A
27 Stock; ATI's common stock; SCS's common stock; and all warrants, options or other
28 rights to purchase any ownership or interest in any of Debtors, but expressly excluding
Reorganized Stock.

30. "Estate" is the relevant estate created in each of the Chapter 11 Cases
under Section 541 of the Code and existing as of the Effective Date.

31. "Executory Contract Schedule" is the schedule captioned "Schedule
of Assumed Executory Contracts and Unexpired Leases" annexed as Exhibit 3 to the Plan.

32. "Exhibit Filing Date" is the last date by which forms of the Exhibits
to the Plan will be filed with the Court, which date will be as specified in the Plan for each
Exhibit, but in any event, or when no date is specified, no later than 30 days before the
Confirmation Hearing.

33. "Expense Disbursement Letter" is the Expense Disbursement
Letter, entered into by GEBPS and ATG dated November 15, 2002, pursuant to which
among other things, a portion of the Fee Claims incurred by some of Debtors'
Professionals on and after October 15, 2002, will be reimbursed directly by GEBPS to
ATG, as amended.

1 34. "Fee Claim" is a Claim for compensation or reimbursement of
2 expenses of a Professional under Sections 327, 328, 330, 331 or 503(b) of the Code in
3 connection with the Chapter 11 Cases.

4 35. "Final Order" means an order or judgment of the Court, as entered
5 on the docket of the Court, that has not been reversed, stayed, modified, or amended, and
6 as to which: (a) the time to appeal, seek review or rehearing or petition for certiorari has
7 expired and no timely filed appeal or petition for review, rehearing, remand or certiorari is
8 pending; or (b) any appeal taken or petition for certiorari filed has been resolved by the
9 highest court to which the order or judgment was appealed or from which certiorari was
10 sought.

11 36. "GEBPS" means GE Business Productivity Solutions, Inc. and its
12 successors and assigns.

13 37. "GECC" is General Electric Capital Corporation.

14 38. "Holdback Escrow Agreement" is the agreement entered into by
15 GEBPS, Debtors and Deutsche Bank Trust Company Americas, as escrow agent, dated
16 November 15, 2002, and pursuant to which GEBPS agreed to escrow the sum of \$2
17 million pending the satisfaction of certain terms and conditions, as amended.

18 39. "Investment Agreement" is the agreement dated as of December 20,
19 2002, as amended, by and among GEBPS, ATG, ATI and SCS.

20 40. "Liens" are, collectively, all mortgages, liens (statutory or otherwise),
21 interests, security interests, licenses, assessments, levies, pledges, charges, encumbrances,
22 equities, Claims (including claims of lessors/sublessors and licensors/sublicensors),
23 covenants, conditions, options or restrictions (including restrictions set forth in applicable
24 leases/subleases and licenses/sublicenses), of any nature whatsoever.

25 41. "Liquidation Trust" is the trust created pursuant to the Liquidation
26 Trust Agreement.

27 42. "Liquidation Trust Agreement" is the agreement entered into by
28 and among Debtors and the Liquidation Trustee, a copy of which is annexed to the Plan as
Exhibit 2.

 43. "Liquidation Trustee" is the Trustee under the Liquidation Trust
Agreement.

 44. "Management Agreement" is that certain Management Agreement
entered into by and between GEBPS and Debtors dated as of June 21, 2002, as the same
may have from time to time been amended, modified or supplemented.

 45. "New ATG Common Stock" is all of the issued and outstanding
common stock of Reorganized ATG.

 46. "New ATI Common Stock" is all of the issued and outstanding
common stock of Reorganized ATI.

 47. "New Debt" is an unsecured promissory note by Reorganized ATG
representing principal repayment obligations in an initial amount equal to the New Senior
Investment Cash Consideration and having terms as generally described in Section 9.2(b)
of the Plan.

1 48. “New Directors” are, collectively, David O’Neill and Victor A.
2 Alums.

3 49. “New Officers” are, collectively, David O’Neill, President and
4 Victor A. Alums, Secretary.

5 50. “New SCS Common Stock” is all of the issued and outstanding
6 common stock of Reorganized SCS.

7 51. “New Senior Investment Cash Consideration” is an amount of cash
8 equal to (1) \$2,021,773 (\$500,000 plus earnings, if any, of which will be paid from the
9 trust account of Sheppard, Mullin, Richter & Hampton LLP on or before the Effective
10 Date); (2) a cash escrow amount of \$2,000,000 to be distributed subject to the terms of the
11 Holdback Escrow Agreement (as defined in the APA); (4) the proceeds of the A/R Escrow
12 (as defined in the APA); plus (4) \$6,300,000.

13 52. “Other Secured Claims” are any Secured Claim not expressly
14 classified in Class 2.

15 53. “Person” is any individual, corporation, partnership, limited liability
16 company, association, indenture trustee, organization, joint stock company, joint venture,
17 estate, trust, governmental unit or any political subdivision thereof, the Creditors’
18 Committee, Equity Interest holders, holders of Claims, current or former employees of any
19 Debtor, or any other entity.

20 54. “Petition Date” is May 2, 2002.

21 55. “Plan” is this Joint First Amended Plan of Reorganization, dated as of
22 the date set forth on its signature page, for Debtors, together with any amendments or
23 modifications as Debtors may file hereafter in accordance with the terms of the Plan (such
24 amendments or modifications only being effective if approved by order of the Court).

25 56. “Priority Claim” is any Claim, if Allowed, which is entitled to
26 priority under Section 507(a) of the Code, other than (a) an Administrative Claim; (b) a
27 Priority Tax Claim; or (c) a Fee Claim.

28 57. “Priority Tax Claim” is any Claim, if Allowed, that is entitled to
priority under Section 507(a)(8) of the Code.

 58. “Professional” is a Person retained or to be compensated for services
rendered or costs incurred on or after the Petition Date through and including and after the
Effective Date under Section 327, 328, 330, 503(b) or 1103 of the Code.

 59. “Ratable,” “Ratably,” “Ratable Share” or “Pro Rata” is a number
(expressed as a percentage) equal to the proportion that an Allowed Claim in a particular
Class bears to the aggregate amount of (a) Allowed Claims plus (b) disputed Claims (in
their aggregate Face Amount) in such Class as of the date of determination.

 60. “Reorganized ATG” is ATG from and after the Effective Date.

 61. “Reorganized ATI” is ATI from and after the Effective Date.

 62. “Reorganized Debtors” are, collectively, Reorganized ATI,
Reorganized ATG and Reorganized SCS.

1 63. “Reorganized SCS” is SCS from and after the Effective Date.

2 64. “Reorganized Stock” is all of the voting common stock of each of
3 Reorganized ATG, Reorganized ATI and Reorganized SCS from and after the Effective
4 Date issued and outstanding as of the Effective Date.

5 65. “Responsible Individual” is Gary Cuccio, in his capacity as the duly
6 appointed Responsible Individual of Debtors.

7 66. “Rules” are the Federal Rules of Bankruptcy Procedure and the local
8 rules of the Court (including any court rules of Bankruptcy Judge Jaroslovsky), as now in
9 effect or hereafter amended to the extent such amendments are applied retroactively to the
10 Chapter 11 Cases.

11 67. “Secured Claim” is, under Section 506 of the Code, that portion of a
12 Claim that is secured by a valid, perfected and enforceable security interest, Lien,
13 mortgage or other Encumbrance, that is not subject to avoidance under applicable
14 bankruptcy or non-bankruptcy law, in or upon any right, title or interest of any of Debtors
15 in and to property of the Estates, to the extent of the value of the holder’s interest in the
16 property as of the relevant determination date. The defined term Secured Claim includes
17 any Claim that is (a) subject to an offset right under applicable law; and (b) a secured
18 claim against any of Debtors under Sections 506(a) and 553 of the Code. “Secured Claim”
19 does not include, for voting or distribution purposes, any Claim that would otherwise
20 qualify as a Secured Claim, but that has been or will be paid in connection with the “cure”
21 of defaults under an executory contract or unexpired lease assumed by a Debtor under
22 Section 365 of the Code or pursuant to the Plan.

23 68. “Senior Secured Collateral” is any and all collateral pledges by
24 ATG, ATI, SCS and/or ATI/Virginia under the Senior Secured Pledge Agreement and the
25 Senior Secured Security Agreement.

26 69. “Senior Secured Credit Agreement” is that certain written
27 agreement entered into by and among ATI, its subsidiaries and Wachovia Bank, N.A., as
28 administrative agent, dated as of July 20, 2000, as the same may have from time to time
been amended, and all related and ancillary agreements forming a part of that agreement.

 70. “Senior Secured Creditors” are those creditors who are party to the
Second Amended and Restated Credit Agreement dated as of July 20, 2000, as amended,
among Debtors and the financial institutions party thereto as lenders: Wachovia Bank,
National Association, GECC, Fortis Capital Corporation, Inc., JP Morgan Securities, Inc.,
The CIT Group, Union Bank of California, Finova Capital Corporation, CitiCorp USA,
Inc., Key Corp., IBM Credit Corporation, US Bank, Credit Suisse First Boston, Lehman
Commercial Paper, Inc., and Dresdner Bank AG New York and Grand Cayman Branches.

 71. “Senior Secured Documents” are, collectively, the Senior Secured
Credit Agreement, the Senior Secured Security Agreement and the Senior Secured Deeds
of Trust (as defined in the Senior Secured Credit Agreement).

 72. “Unclaimed Property” is any distribution or distributable property
unclaimed on or after the Effective Date or the date on which an additional distribution
would have been made to the holder of an Allowed Claim. Unclaimed Property will
include (a) checks (and the funds represented thereby) returned as undeliverable without a
proper forwarding address; (b) funds for uncashed checks; and (c) checks (and the funds
represented thereby) not mailed or delivered because no address to mail or deliver the

1 property was available, notwithstanding efforts by Debtors or the Liquidating Trustee to
2 locate such address which were commercially reasonable under the circumstances.

3 73. "United States Trustee" is the Office of the United States Trustee for
4 the Northern District of California.

5 74. "Unsecured Claim" is any Claim that is not (a) an Administrative
6 Claim; (b) a Priority Claim; (c) a Priority Tax Claim; (d) a Secured Claim; or (e) a Fee
7 Claim, and includes any claim arising from the rejection by Debtors of any executory
8 contract.

9 75. "Unsecured Distribution Reserve" is the reserve in the sum of
10 \$500,000 established under the Plan on the Effective Date to pay Allowed Unsecured
11 Claims.
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EXHIBIT "2"

To the Plan

LIQUIDATION TRUST AGREEMENT

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LIQUIDATION TRUST AGREEMENT

THIS LIQUIDATION TRUST AGREEMENT ("Agreement"), dated as of _____, 2003, is entered into by and among **ADVANCED TELECOM GROUP, INC., ADVANCED TELECOM, INC., and SHARED COMMUNICATIONS SERVICES, INC.** (collectively, "Debtors"), on the one hand, and **CROSSROADS, LLC**, as Trustee ("Liquidation Trustee" or "Trustee"), on the other hand, and is executed to facilitate the implementation of the First Amended Plan of Reorganization ("Plan") filed by Debtors.

RECITALS

WHEREAS, on May 2, 2002 ("Petition Date"), Debtors filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code ("Code") in the United States Bankruptcy Court for the Northern District of California ("Court");

WHEREAS, United States Bankruptcy Judge Alan Jaroslovsky has presided over the cases, which have been jointly administered under Case No. 02-11073 ("Chapter 11 Cases");

WHEREAS, the Plan was confirmed by the Court on _____;

WHEREAS, the Plan contemplates, among other things, the distribution of certain Trust Assets to Creditors, all as defined and described in greater detail in the Plan and this Agreement;

WHEREAS, under the terms of the Plan, the Assigned Rights, the Unsecured Distribution Reserve, Distributable Cash, New Senior Investment Cash Consideration (subject to the escrow established by the Holdback Escrow Agreement) and Avoidance Claims (collectively defined as "Trust Assets" or "Assets") are to be transferred to this Trust so that the Trustee may (1) prosecute, settle or release all Assigned Rights and Avoidance Claims in accordance with the best interests of and for the benefit of the Creditors entitled to receive distributions under the Plan; (2) liquidate the Trust Assets; (3) prosecute objections to Class 4 Claims; (4) dispose of any non-liquid Assets in an orderly and expeditious manner; (5) resolve Disputed Claims; (6) make distributions to the holders of Allowed Fee Claims and holders of Allowed Claims in Classes 2A and 4 (as their respective interests may appear in accordance with the Plan), respectively, and to certain professionals of the Liquidation Trustee, the Administrative Agent and the Unsecured Creditors' Committee (the "Designated Professionals") in as prompt, efficient and orderly fashion as possible; (7) perform administrative services related to the implementation of the Plan; (8) employ professionals, including counsel and accountants, for assistance in fulfilling its obligations under the Plan; and (9) otherwise act in accordance with this Agreement, the Plan, and orders of the Court;

WHEREAS, the Plan also contemplates that the Trustee will pay Allowed Fee Claims to the respective holder thereof and certain fees and expenses of the Designated Professionals from funds of the Liquidation Trust ("Trust") and from additional funds received by the Trustee under the Expense Disbursement Letter, with such payments to be made as set forth in this Agreement, and that payments may be made by GEBPS as provided in Section 9.6(d) of the Plan to the Trust to be distributed to the holders of Class 2A Claims;

WHEREAS, additional payments may be made by GEBPS under the Expense Disbursement Letter to the Trust, including in respect of certain administrative costs of Debtors through the Effective Date and pursuant to Section 4 of the Expense Disbursement Letter, which payments will be distributed by the Trust to the holders of Class 2A Claims;

WHEREAS, under the terms of the Holdback Escrow Agreement, funds may be paid to the Trustee, and thereafter distributed to the holders of Class 2A Claims;

WHEREAS, the corpus of the Trust, and all income earned on that corpus or otherwise, is to be distributed to holders of certain Claims and to discharge the legal obligations of Debtors under the Plan; and

WHEREAS, under the Plan and the Confirmation Order, effective as of the Effective Date, the Debtors will be deemed to have assigned, granted, transferred and delivered to the Trustees, on behalf of and for the benefit of the Creditors, control of, and all of the rights, title and interests in and to, the Trust Assets;

NOW, THEREFORE, in consideration of the premises and agreements contained in this Agreement, the parties agree as follows:

DECLARATION OF TRUST

In order to declare the terms and conditions of this Trust, and in consideration of the confirmation of the Plan under the Code, Debtors and the Trustee have executed this Agreement and, effective on the Effective Date of the Plan, all right, title and interest of Debtors in and to the Avoidance Claims, Unsecured Distribution Reserve, New Senior Investment Cash Consideration, Distributable Cash and Assigned Rights is to be irrevocably transferred to the Trustee, its successors and assigns forever;

IN TRUST NEVERTHELESS, under and subject to the terms of this Agreement and the Plan, for the benefit of the respective Creditors, the Designated Professionals, and their successors and assigns;

PROVIDED, however, that on termination of this Trust in accordance with Article VII, this Agreement will cease, terminate and be of no further force and effect.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

1.1 **Defined Terms.** As used in this Agreement, capitalized terms have the meanings set forth below. Any term that is used in this Agreement but not defined below will have the meaning set forth in Exhibit 1 of the Plan, which is attached as Exhibit 1. Any term not otherwise defined in this Agreement or in the Plan, but that is defined in the Code or in the Rules, will have the meaning given to it in the Code or the Rules, as applicable.

1.2 "Compensation Report" means the written report furnished by the Trustee to the Administrative Agent, the Creditors' Committee, and any other party requesting it, in accordance with Section 3.1(b) of this Agreement.

1.3 "Disposition" means any sale, conveyance, transfer, assignment, liquidation, abandonment of Trust Assets by the Trustee.

1.4 "Notice and Hearing" means the notice and hearing provided for by the Code and Rules.

1.5 Rules of Interpretation. For purposes of this Agreement: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) any reference in this Agreement to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms means that the document will be substantially in that form or substantially on those terms; (c) any reference to an existing document or exhibit filed or to be filed means the document or exhibit, as it may have been or may be amended or supplemented pursuant to this Agreement; (d) any reference to the holder of a Claim includes all successors, assigns, and affiliates; (e) all references to Sections, Articles, and Exhibits are references to Sections, Articles, and Exhibits of or to this Agreement; (f) the words "herein," "hereunder," and "hereto" refer to the Agreement in its entirety rather than to a particular portion of it; (g) captions and headings to Articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Agreement; (h) subject to the provisions of any contract, articles of incorporation, code of regulations, similar constituent documents, instrument, release, or other agreement or document entered into in connection with the Agreement, the rights and obligations arising under this Agreement will be governed by, and construed and enforced in accordance with, federal law, including the Code and the Rules; and (i) the rules of construction in Section 102 of the Code will apply.

1.6 Computation of Time. In computing any period of time prescribed or allowed by the Agreement, the provisions of Rule 9006(a) will apply.

ARTICLE II

ACCEPTANCE OF TRUST

2.1 Acceptance. The Trustees hereby accepts the fiduciary duty imposed by this Agreement, and will observe and perform as a fiduciary of the Trust subject to the terms of this Agreement.

2.2 Purpose. This Trust is organized for the sole purposes of holding, investing, selling, administering, liquidating and distributing the Trust Assets and prosecuting the Assigned Rights and Avoidance Claims that Debtors have, with no objective to engage in the conduct of a trade or business. The Trustee will be empowered to and will make all distributions from New Senior Investment Cash Consideration, Distributable Cash and the Unsecured Distribution Reserve required to be made under the Plan. The Trustee will be authorized and empowered to

(a) prosecute, settle or release all Assigned Rights and Avoidance Claims, in accordance with the best interest of and for the benefit of the respective Creditors entitled to receive distributions under the Plan; (b) liquidate the Trust Assets; (c) prosecute objections to Class 4 Claims; (d) dispose of any non-liquid Assets in an orderly and expeditious manner; (e) resolve Class 4 Disputed Claims; (f) make distributions to the holders of Allowed Fee Claims, and holders of Allowed Claims in Classes 2A and 4 (as their respective interests may appear in accordance with the Plan) and to the Designated Professionals in as prompt, efficient and orderly fashion as possible; (g) perform administrative services related to the implementation of the Plan; (h) employ professionals, including counsel and accountants, to assist in fulfilling its obligations under the Plan; and (i) otherwise act in accordance with this Agreement, the Plan, and orders of the Court.

2.3 Tax Issues. The Trustee will report the Trust for federal income tax purposes as a "liquidating trust" as defined in Treasury Regulations Section 3017701-4(d) and Rev. Proc. 94-45, 1994-28 I.R.B. 124, and as a "grantor trust," with Persons entitled to receive distributions under the Plan treated as the grantors and the deemed owners of the Trust, subject to the provisions of subpart E of Subchapter J of Chapter 1 (sections 671 through 679) of the Internal Revenue Code of 1986, as amended, unless otherwise required. The transfer of the Assets to the Trust will be treated, for federal tax purposes, as a deemed transfer to the Persons entitled to receive distributions under the Plan, followed by a deemed transfer by those Persons to the Trust. The Trustees will prepare and provide to or file with the appropriate parties such notices, tax returns and other filings as may be required by the above or other provisions of the Internal Revenue Code of 1986, as amended, and any regulations or rulings promulgated thereunder, and as may be required by applicable federal and state law.

ARTICLE III

GENERAL OBLIGATIONS OF THE TRUSTEE

3.1 Reports.

(a) **Quarterly and Semi-Annual Reports.** The Trustee will submit to the Court, the Creditors' Committee and the Administrative Agent within 30 days after the end of each calendar quarter for the first year after the Effective Date, and semi-annually thereafter (within 30 days after the end of each semi-annual period), a written report setting forth the activities and financial condition of the Trust, including: (1) all transactions consummated during the report period and their amounts (including all amounts collected, dispositions, settlements of Disputed Claims, distributions to Persons entitled to receive distributions under this Agreement, fees paid to the Trustee, employees, consultants to and professionals for the Trust, and other expenditures); and (2) the status of all Assigned Rights, Avoidance Claims, Unsecured Distribution Reserve and cash available to pay fees and expenses of its employees, consultants and the Trustee (including fees and expenses of its professionals) and to pay Allowed Fee Claims and other amounts payable by the Trustee as of the end of the report period, except to the extent that the Trustee believes that a general disclosure might negatively affect any litigation or its settlement.

(b) Monthly Reports. On a monthly basis, by no later than the 25th of every month, the Trustee will submit to the Administrative Agent and the Creditors' Committee a Compensation Report setting forth, for the Trustee and Designated Professionals: (1) a detailed summary of its respective activities with respect to the Trust; and (2) the compensation, fees and expenses sought to be paid from the Trust Assets for those activities pursuant to Section 5.5.

3.2 Investment Obligations. Distributable Cash will be invested by the Trustee in accordance with section 345 of the Code, or as specified by a Final Order of the Court. The Trustee will invest in such temporary, liquid investments as: (a) direct obligations of, or obligations guaranteed by, the United States of America; (b) obligations of any agency or corporation which is or may be created by or pursuant to any act of the Congress of the United States as an agency or instrumentality thereof; or (c) such other obligations or instruments as are approved by the Court; provided, however, that the Trustee may, to the extent it may deem necessary in its sole and absolute discretion to implement the provisions of this Trust, deposit moneys in demand or time deposits at any bank or trust company. Investments will mature in such amounts and at such times as the Trustee may deem necessary, with sole and absolute discretion to provide funds when needed to make payments from the Trust Assets. Any investment purchased with Trust Assets will be deemed a part of the Trust Assets. All interest and distributions received by the Trustee in respect of investments constituting part of the Trust Assets will be a part of the Trust Assets. If at any time it becomes necessary to redeem or sell some or all of the investments constituting Trust Assets in order to comply with this Agreement, the Plan or the Distributable Cash, the Trustee will effect the redemption or sale in such manner and at such time as the Trustee, in its discretion, deems reasonable.

3.3 Acceptance of the Trust Assets. On the Effective Date or as soon thereafter as is practicable, Debtors will transfer and assign or cause to be transferred and assigned to the Trustee all of the Trust Assets. The Trustee will accept all the Trust Assets and assume Debtors' obligations to make distributions of the Trust Assets in accordance with the Plan.

3.4 Distributions. The Trustee will make all distributions of Distributable Cash, New Senior Investment Cash Consideration, and the Unsecured Distribution Reserve and proceeds of Assigned Rights and Avoidance Claims required to be made under the Plan. Before the Trust is terminated, all Trust Assets will be reduced to cash. The Plan will govern all distributions to Creditors.

3.5 Plan Implementation Services. The Trustee is authorized to take any actions it deems necessary to perform the obligations of the Trust. The Trustee may retain the services of professionals necessary to assist and advise it in performing its duties.

ARTICLE IV

POWERS AND RIGHTS OF THE TRUSTEE

4.1 Title. The Trustee will hold legal title to all the Trust Assets, except that the Trustee will have the power to cause legal title or evidence of legal title to any Trust Assets to be

held by any nominee or other person on such terms, in such manner and with such power as the Trustee may determine.

4.2 Settlement of Disputed Claims. The Trustee may effect settlement of Disputed Claims as follows:

(a) The Trustee is authorized to settle without notice and a hearing any Disputed Claims when the amount of the Allowed Claim resulting from the settlement is less than \$50,000, but thereafter will report the settlement under Section 3.1(a).

(b) In all other instances, the Trustee is authorized to settle any Disputed Claim only after notice and a hearing.

4.3 Prosecution and Settlement of Rights of Action.

(a) Subject to Sections 4.3(b) and (c), the Trustee will be empowered to and will at its discretion prosecute or settle all Assigned Rights and Avoidance Claims.

(b) The Trustee is authorized to settle any Assigned Rights and Avoidance Claims without notice and a hearing, if the amount originally sought by the Trustee on account of the Assigned Rights or Avoidance Claims is less than \$50,000, but thereafter will report the settlement under Section 3.1(a).

(c) In all other instances, the Trustee is authorized to settle all Assigned Rights or Avoidance Claims only after notice and a hearing.

4.4 Additional Powers. Except as otherwise provided in this Agreement, in the Plan and subject to the jurisdiction of the Court, the Trustee will have, without prior or further authorization, control and authority over the Trust Assets, their acquisition, management and Disposition. No person dealing with the Trust will be obligated to inquire as to the authority of the Trustee in connection with the acquisition, management or Disposition of the Trust Assets. In connection with the management and use of the Trust Assets, the powers of the Trustee, except as otherwise expressly limited in this Agreement and in the Plan, will include but not be limited to, the following: (a) to accept the Trust Assets transferred from Debtors; (b) to distribute the Trust Assets in accordance with the Plan and this Agreement; (c) to prosecute all Assigned Rights and Avoidance Claims; (d) to prosecute and defend all actions affecting the Trust and to compromise or settle any suits, Claims or demands, or waive or release any rights relating to the Trust, subject to the same limitations for settling Disputed Claims, Assigned Rights and Avoidance Claims provided in Sections 4.2 and 4.3; (e) to endorse the payment of notes or other obligations of any person or to make contracts with respect thereto; (f) to purchase insurance with such coverage and limits as it reasonably deems necessary, including without limitation, insurance covering liabilities of the Trustee incurred in connection with its service as Liquidation Trustee; (g) to appoint, engage or employ such professionals as the Liquidation Trustee deem necessary or desirable in its discretion (which may include Persons employed by the Debtors if, in the determination of the Trustee, those Persons will assist the Trustee in discharging its obligations in an efficient manner); (h) to deposit any monies or securities with any one or more banks, trust companies or other banking institutions upon such terms as the

Trustee determines subject to the provisions of Section 3.2; and (i) to engage in all acts necessary and reasonable in performing the obligations of administrative trustees under a trust of the type provided for in this Agreement and the Plan.

4.5 Prohibition on Borrowing. Notwithstanding anything to the contrary in this Agreement, the Trustee will not borrow any funds.

4.6 Unsecured Distribution Reserve. The Trustee will distribute the Unsecured Distribution Reserve to the holders of Class 4 Claims as set forth in the Plan.

ARTICLE V

THE LIQUIDATION TRUSTEE

5.1 Resignation. The Trustee may resign as trustee by giving written notice of resignation to the Administrative Agent and the Creditors' Committee, provided that the Trustee will continue to serve as a Trustee after its resignation until the time when appointment of a successor Trustee becomes effective in accordance with Section 5.3.

5.2 Removal. Upon notice and a hearing, the Court may at any time remove the Trustee, for cause shown, provided that the Trustee will continue to serve as Trustee until the time when appointment of a successor Trustee becomes effective in accordance with Section 5.3.

5.3 Appointment of Successor Trustee. In the event of the death (in the case of a Trustee that is a natural person), resignation, dissolution (in the case of a Trustee that is not a natural person), incompetency or removal of a Trustee, the Administrative Agent and the Creditors' Committee will appoint a successor Trustee. The appointment may specify the date on which it will be effective. Every successor Trustee will execute, acknowledge and file with the Court an instrument accepting the appointment. Thereupon the successor Trustee, without further act, deed or conveyance, will become bound by this Agreement and vested with all rights, powers, trusts and duties of the retiring Trustee.

5.4 Trust Continuance. The death, resignation, incompetency or removal of the Trustee will not terminate the Trust created by this Agreement, revoke any existing agency created by this Agreement or invalidate any action previously taken by the retiring Trustee. In the event of the resignation or removal of the Trustee, the retiring Trustee will promptly execute and deliver such documents, instruments and other writings as may be requested by the successor Trustee to (a) effect the change in the retiring Trustee's capacity under this Agreement and (b) the conveyance of Assets then held by the retiring Trustee to its successor. The retiring Trustee will otherwise cooperate in effecting the assumption by its successor Trustee of its obligations and functions.

5.5 Compensation of Trustee and Professionals.

(a) The Trustee will be entitled, on the terms of the budget set forth on Exhibit 2, to compensation and reimbursement of necessary fees and expenses reasonably incurred in performing its duties as Trustee. Any successor Trustee will receive such reasonable

compensation for its services as may be approved by the Administrative Agent and the Creditors' Committee and will also be entitled to reimbursement for necessary fees and expenses reasonably incurred in performing its duties as Trustee. Professionals retained by the Trustee will also be entitled to compensation and reimbursement for necessary fees and expenses in accordance with the terms of their respective retainer agreements, which terms will be subject to approval by the Trustee, unless previously approved by the Court in the Chapter 11 Cases.

(b) No professional will be required to file a fee application in connection with services rendered after the Confirmation Date. However, all professionals but will submit invoices to the Trustee detailing the services rendered and the compensation and fees and expenses sought. The Trustee will include any such invoices in the next Compensation Report to be submitted pursuant to Section 3.1(b). Except to the extent a written objection to a Compensation Report is received by the Trustee within 15 days of service of the Compensation Report, the Trustee will pay to itself, its professionals and any other professionals all compensation and fees and expenses in the amounts set forth in the Compensation Report. Pending resolution of any objections, the Trustee will pay all undisputed amounts set forth in the Compensation Report. The Trustee will use reasonable efforts to resolve any objections to a Compensation Report within 15 days after receipt. If no consensual resolution is reached within that time, the objection will be resolved by a hearing before the Court, and the Trustee will pay the amount, if any, ordered by the Court after hearing.

5.6 Standard of Care; Exculpation. The Trustee will perform the duties and obligations imposed on it by this Agreement with reasonable diligence and care under the circumstances. The Trustee will not be personally liable to the Trust or to Persons entitled to receive distributions of Assets under the Plan except for such of its own acts as constitute fraud, bad faith, willful misconduct, gross negligence or willful disregard of its duties. Except as aforesaid, the Trustee will be entitled to be exonerated and indemnified from time to time from the Trust Assets against all losses, claims, costs, expenses (including the costs of defense), and liabilities arising out of or in connection with the Trust Assets or the affairs of the Trust. The provisions of this Section 5.6 will also extend to the employees, consultants and agents of the Trustee, as the case may be, except with respect to professionals. The Court may require the Trustee to post a fidelity bond of the type typically required of a Chapter 7 bankruptcy trustee and in an amount to be approved by the Court, provided that the cost of such bond will be reimbursed to the Trustee as a necessary expense item under Section 5.5(a) above.

5.7 Reliance by Trustee. The Trustee may conclusively rely, and will be fully protected in acting on any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order or other instrument or document which it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties, in each case without obligation to satisfy itself that the same was given in good faith and without responsibility for errors in delivery, transmission or receipt. In the absence of its fraud, bad faith, willful misconduct, gross negligence, or willful disregard of its duties, the Trustee may conclusively rely as to the truth of statements and correctness of the facts and opinions expressed therein and will be fully protected personally in acting thereon. The Trustee may consult with legal counsel and will be fully protected in respect of any action taken or suffered in accordance

with the opinion of legal counsel. The Trustee will have the right at any time to seek instructions from the Court concerning the acquisition, management or Disposition of the Trust Assets.

ARTICLE VI

RETENTION OF JURISDICTION

6.1 Retention of Jurisdiction. The Court will have jurisdiction over the Trust, the Trustee and the Trust Assets, as further provided for in the Plan, including the determination of all controversies and disputes arising under and in connection with the Trust or this Agreement.

ARTICLE VII

TERMINATION

7.1 Termination. The Trust will terminate on fulfillment of its purpose or within three years after the effective date of this Agreement (as set forth in Section 8.2), whichever first occurs. Notwithstanding the foregoing, if the Trustee has been unable, after reasonable effort, to conclude the liquidation of the Trust Assets within the initial three year periods of this Agreement, the Trustee will have the right to extend the term of the Trust for successive one-year terms until the Trustee has filed a final report with the Court indicating fulfillment of the purpose of the Trust and the Court has approved that final report.

ARTICLE VIII

MISCELLANEOUS

8.1 Notices.

(a) All notices, requests or other communications, required or permitted to be made under this Agreement, including any change of address of any Person for the purpose of receiving distributions, will be in writing and will be delivered (1) personally, (2) by telecopy (confirmed by first class mail or express mail), or (3) mailed by first class mail.

(b) Notices will be deemed to have been given when received or, if mailed by first class mail, seven days after the date of mailing, postage prepaid, or, if express mailed, the next business day after the date of mailing. However, a proper notice of change of address will be effective for a distribution if received at least 30 days in advance of the distribution date.

(i) if to the Liquidation Trustee, at:

Crossroads, LLC
9 Executive Circle, Suite 190
Irvine, CA 92614

- (ii) **Craig Stuppi**
Sheppard, Mullin, Richter & Hampton LLP
4 Embarcadero Center, 17th Floor
San Francisco, CA 94111
- (iii) If to any other Persons entitled to notice, at the respective addresses that such Persons entitled to notice have provided to the **Liquidation Trustee**.

(c) Any Person may change the address at which it is to receive notices under this Agreement by furnishing written notice to the Trustee pursuant to this Section 8.1.

8.2 Effectiveness. This Agreement will become effective on the Confirmation Date.

8.3 Counterparts. This Agreement may be executed in two or more counterparts, all of which will be taken together to constitute one and the same instrument.

8.4 Governing Law. Except to the extent that the Code is applicable, the rights and obligations under this Agreement will be governed by, construed under and interpreted in accordance with, the laws of the State of California without reference to its conflicts of law rules.

8.5 Headings. Sections, subheadings and other headings used in this Agreement are for convenience only and will not affect the construction or interpretation of this Agreement or any of its provisions.

8.6 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will not invalidate its remaining provisions, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable the provision in any other jurisdiction.

8.7 Amendments. The Trustee, with the approval of the Court, may amend this Agreement from time to time.

IN WITNESS WHEREOF, the parties have executed this Agreement or caused this Agreement to be duly executed by their duly authorized representatives as of the day and year first above written.

By: **CROSSROADS, LLC**
As Liquidation Trustee

By: **ADVANCED TELECOM GROUP, INC.**

By: ADVANCED TELECOM, INC.

By: SHARED COMMUNICATIONS
SERVICES, INC.

EXHIBIT 1
DEFINITIONS

EXHIBIT 2

[Budget To Be Attached]

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EXHIBIT "3"

To the Plan

**SCHEDULE OF ASSUMED EXECUTORY CONTRACTS
AND UNEXPIRED LEASES**

(To be filed with the Court and served on or before March 19, 2003)

ORIGINAL FILED
ORDER OF THE COURT
COPY
03 APR 18 AM 9:19

U.S. BANKRUPTCY COURT
NORTHERN DIST. OF CA.
SANTA ROSA, CA

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP
A Limited Liability Partnership
2 Including Professional Corporations
MICHAEL H. AHRENS, Cal. Bar No. 44766
3 CRAIG STUPPI, Cal. Bar No. 51663
ORI KATZ, Cal. Bar No. 209561
4 KYLE MATHEWS, Cal Bar. No. 218384
Four Embarcadero Center, 17th Floor
5 San Francisco, California 94111

6 Telephone: (415) 434-9100
Facsimile: (415) 434-3947

7 Reorganization Counsel for
8 Debtors and Debtors-in-Possession

9
10 UNITED STATES BANKRUPTCY COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SANTA ROSA DIVISION

13 In re:

14 ADVANCED TELCOM GROUP, INC.,
15 a Delaware Corporation

16 Debtor.

17 Federal Tax ID: 94-3344665

18 In re:

19 ADVANCED TELCOM, INC.,
a Delaware Corporation

20 Debtor.

21 Federal Tax ID: 77-0489158

22 In re:

23 SHARED COMMUNICATIONS
24 SERVICES, INC.,
an Oregon Corporation

25 Debtor.

26 Federal Tax ID: 93-0914013

Jointly Administered for Procedural
Purposes Under:
Case No. 02-11073

Chapter 11

**MODIFICATIONS TO FIRST AMENDED
JOINT PLAN OF REORGANIZATION**

Date: April 18, 2003

Time: 10:00 a.m.

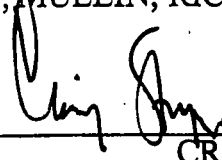
Place: U.S. Bankruptcy Court
99 South "E" Street
Santa Rosa CA 95404

1 Advanced TelCom Group, Inc., Advanced TelCom, Inc. and Shared Communications
2 Services, Inc., debtors and debtors-in-possession in the above-captioned bankruptcy cases
3 (collectively, the "Debtors"), hereby file their Modifications to First Amended Joint Plan
4 of Reorganization (the "Modifications"). The Modifications are attached hereto as Exhibit
5 A.

6
7 DATED: April 10, 2003

8 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

9
10 By



11 CRAIG STUPPI

12 Attorneys for Debtors and Debtors-in-Possession
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In accordance with Section 15.2 of the Plan, the Confirmation Order should contain a decretal paragraph as follows:

"The Plan is hereby modified as follows:

FIRST: Section 9.2(b) is amended by deleting the last sentence thereof in its entirety and replacing it with the following:

The New Debt will be evidenced by one or more unsecured promissory notes of Reorganized ATG, which will be payable to Buyer (or to any assignee or transferee holder of such New Debt).

SECOND: Section 14.1(a)(3) is amended by deleting the word "and" from the last line of the section.

THIRD: Section 14.1(a) is amended by redesignating Section 14.1(a)(4) as Section 14.1(a)(5) and adding thereto a new Section 14.1(a)(4), which shall read in its entirety as follows:

(4) the Customer Contracts; and

FOURTH: Article XII is amended by deleting the first sentence thereof in its entirety and replacing it with the following:

GEBPS can terminate the Plan and the Investment Agreement, in its sole discretion, on written notice at any time before (a) the Confirmation Date, if the Confirmation Date occurs after receipt by Debtors of the California PUC Approval, or (b) receipt by Debtors of the California PUC Approval, if such receipt occurs after the Confirmation Date.

FIFTH: Exhibit 1, paragraph 28 is amended in its entirety and replaced with the following:

"Effective Date" is the later to occur of (i) the tenth day after the entry of the Confirmation Order, (ii) the third business day after receipt by the Debtors of the California PUC Approval, and (iii) the third business day after the date that any stay of the Confirmation Order is vacated, if such stay is in place upon the occurrence of either of (i) or (ii), in each case subject to waiver of all or part of such 10-day or three-day periods by the mutual consent of the Debtors and Buyer.

SIXTH: Exhibit 1, paragraph 47 is amended in its entirety and replaced with the following:

“New Debt” is one or more unsecured promissory notes by Reorganized ATG representing principal repayment obligations in an initial amount equal the New Senior Investment Cash Consideration and having terms as generally described in Section 9.2(b) of the Plan.

SEVENTH: Exhibit 1 is amended by adding paragraph 11A, which shall read in its entirety as follows:

“California PUC Approval” is an order entered by the California Public Utilities Commission approving the Petition for Modification of Opinion and Order of Debtor and GEBPS (filed in Cal. PUC Application Docket No. 02-07-036) requesting approval for GEBPS to assume control of the Reorganized Debtors and for the Reorganized Debtors to conduct business in the State of California after confirmation of the transactions contemplated by the Plan in a manner substantially similar to the manner in which the Debtors conducted business prior to the Petition Date.

EIGHTH: Exhibit 1 is amended by adding paragraph 24A, which shall read in its entirety as follows:

“Customer Contracts” are those service contracts entered into by and between the respective Debtor and each of the respective Debtor’s customers, as counter-party, each providing the terms and conditions pursuant to which such Debtor provides voice, Internet and/or data telecommunications services; *provided, however*, that no RMTS Contracts shall be included among the Customer Contracts.

NINTH: Exhibit 1 is amended by adding paragraph 65A, which shall read in its entirety as follows:

“RMTS Contracts” are (i) those service contracts entered into by and between the respective Debtor and the owners of multi-family residential rental complexes, as counter-party, each providing the terms and conditions pursuant to which such Debtor provides telecommunications equipment and facilities within these complexes, and the counter-parties granted such Debtor exclusive rights to provide telecommunications services to residents of the complexes, and (ii) those service contracts entered into by and between the respective Debtor and the residents of the complexes, as counter-party, pursuant thereto.”