



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

February 5, 2002

Alex Mattera, Esq.
Gadsby Hannah LLP
225 Franklin Street
Boston, MA 02110

DOCUMENT
FOLDER

Donald Swanson, Esq.
Verdolino & Lowey
Pine Brook Office Park
124 Washington Street
Foxborough, MA 02035

DOCKETED
FEB 25 2002

Re: Robert and Michael C. Eyer v. Essential.Com, Inc., Docket Number C-20016636

Gentlemen:

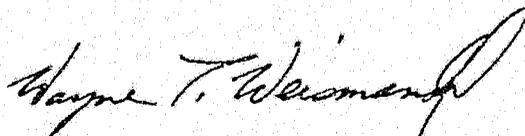
I am the Administrative Law Judge assigned by the Pennsylvania Public Utility Commission to preside in the above-referenced case. By Notice dated February 4, 2002, you were advised that an Initial Prehearing Telephone Conference has been scheduled for 10:00 a.m. on Friday, March 8, 2002, in this case.

Enclosed you will find a copy of the formal Complaint filed December 31, 2001, by Robert and Michael C. Eyer, a letter (deemed and Answer to the Complaint) dated January 14, 2002, from Peter Kelly of Essential Communications, and my Telephonic Prehearing Conference Order dated today.

I urge you to contact the complainants, Robert and Michael C. Eyer, prior to the scheduled Initial Prehearing Telephone Conference to attempt to satisfy their Complaint without the necessity of proceeding to a hearing, if possible.

If you have any questions about this matter, please do not hesitate to contact me.

Very truly yours,



Wayne L. Weismandel
Administrative Law Judge

Encls.

cc: Robert and Michael C. Eyer
Chief ALJ Robert A. Christianson
New Filing

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Robert and Michael C. Eyer

v.

Essential.Com, Inc.

RECEIVED

FEB 07 2002

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Docket Number

C-20016636

DOCKETED

FEB 25 2002

TELEPHONIC PREHEARING CONFERENCE ORDER

1. A Telephonic Prehearing Conference is scheduled for 10:00 a.m. on Friday, March 8, 2002, in the above-captioned case.

The participants, or their representative, will be contacted at the following telephone numbers:

Robert and Michael C. Eyer (717) 932-5461

Alex Mattera, Esq.
(for Essential.Com, Inc.'s Bankruptcy Trustee) (617) 345-7025

Donald Swanson, Esq.
(for Essential.Com, Inc.'s Trustee designated contact) (508) 543-1720

It is a participant's responsibility to notify the presiding officer if a different telephone number is to be used to contact the participant.

DOCUMENT
FOLDER

2. A request for a change of the scheduled date must state the agreement or opposition of other participants, and must be submitted in writing no later than five (5) days prior to the hearing. 52 Pa.Code §1.15(b). Requests for changes of scheduled dates must be sent to me and all participants of record. The correct address is: Administrative Law Judge Wayne L. Weisman, P.O. Box 3265, Harrisburg, PA 17105-3265. Changes are granted only in rare situations where good cause exists.

3. In accordance with the foregoing, absent a continuance for good cause, all participants must be prepared to participate in the scheduled Prehearing Conference. Failure of a participant to participate in the conference, after being served with notice of the time thereof, without good cause shown, shall constitute a waiver of all objections to the agreements reached, and an order or ruling with respect thereto.

4. Participants should review the regulations relating to discovery, specifically 52 Pa.Code §5.331(b), which provides, among other things, that “[p]articipants shall endeavor to initiate discovery as early in the proceedings as reasonably possible,” and 52 Pa.Code §5.322, which encourages participants to exchange information on an informal basis. Participants shall cooperate in discovery. Such cooperation is preferable to numerous or protracted discovery disagreements, which require the presiding officer’s participation for resolution. There are limitations on discovery and sanctions for abuse of the discovery process. 52 Pa.Code §§5.361, 5.371-5.372.

5. Pursuant to 52 Pa.Code §§1.21 & 1.22, you may represent yourself, if you are an individual, or you may have an attorney licensed to practice law in the Commonwealth of Pennsylvania, or admitted *Pro Hac Vice*, represent you. However, if you are a partnership, corporation, trust, association, or governmental agency or subdivision, you must have an attorney licensed to practice law in the Commonwealth of Pennsylvania, or admitted *Pro Hac Vice*, represent you in this proceeding. Unless you are an attorney, you

may not represent someone else. Attorneys shall insure that their appearance is entered in accordance with the provisions of 52 Pa.Code §1.24(b).

6. You must serve me directly with a copy of any document that you file in this proceeding. If you send me any correspondence or document, you must send a copy to all other participants. For your convenience, a copy of the Commission's current service list of the participants to this proceeding is enclosed with this Order.

7. Participants should review the regulation pertaining to prehearing conferences, 52 Pa.Code §5.222, and in particular, subsection (d) that provides, in part:

(d) Participants and counsel will be expected to attend the conference fully prepared for useful discussion of all problems involved in the proceeding, both procedural and substantive, and fully authorized to make commitments with respect thereto. The preparation should include, among other things, advance study of all relevant materials, and advance informal communication between the participants, including requests for additional data and information, to the extent it appears feasible and desirable. (Emphasis added.)

8. All of the following matters shall be considered at the Prehearing Conference:

(a) The possibilities for settlement of the proceeding, subject to the approval of the Commission.

(b) The amount of hearing time which will be required to dispose of the proceeding and the establishment of a schedule of hearing dates.

(c) Arrangements for the submission of direct testimony of witnesses in writing in advance of hearing to the extent practicable, and for the submission in advance of hearing of written requests for information which a participant contemplates asking another participant to present at hearing.

(d) Other matters that may aid in expediting the orderly conduct and disposition of the proceeding and the furtherance of justice, including, but not limited to, the following:

- (i) The simplification of the issues.
- (ii) The exchange and acceptance of service of exhibits proposed to be offered in evidence.
- (iii) The obtaining of admissions as to, or stipulations of, facts not remaining in dispute, or the authenticity of documents, which might properly shorten the hearing.
- (iv) The limitation of the number of witnesses.
- (v) The discovery or production of data or other material.

THEREFORE,

IT IS ORDERED:

1. That on or before Friday, March 1, 2002, the participants shall serve the presiding officer, and each other, with a Prehearing Conference Memorandum which sets forth the history of the proceeding, the issues you intend to present, a listing of your proposed witnesses and the subject of their testimony, and addressing each of the subjects included in Paragraph 8, sub-paragraphs a through d, above.

Date: FEBRUARY 5, 2002


Wayne L. Weismandel
Wayne L. Weismandel
Administrative Law Judge

RECEIVED
OFFICE OF C.A.L.J.

02 JAN 24 AM 11:09

Essential
Communications • Energy

COPY

PA PUC

SECRETARY'S BUREAU

2002 JAN 22 11:09:42

RECEIVED

January 14, 2002

Pennsylvania Public Utility Commission
Bureau of Consumer Services
P.O. Box 3265
Harrisburg, PA 17105

Re: C-20016636

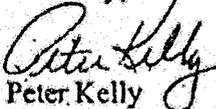
Dear Mr. McNulty:

Essential Communications contacted the complainant in an attempt to resolve the above referenced docket. Essential Communications provided Mr. Eyer with long distance telephone service from May 3, 2000 through September 30, 2001. Enclosed is a copy of Mr. Eyer's billing which details the services provided by Essential Communications to Mr. Eyer.

Essential Communications is able to access details of our customer's usage dating back to January of 2001. A review of Mr. Eyer's available billing details reveals one call to El Cajon, California on May 25, 2001 for which he was billed \$.12. Mr. Eyer stated that he had seen calls to California on invoices that posted in the year 2000 however he was not sure of the total amount that he was billed for them however he did indicate that they were minimal. Essential Communications explained to Mr. Eyer that in accordance with the rulings of the United States Bankruptcy Court any disputes regarding billing prior to August 10, 2001 are the responsibility of the Estate of Essential.com. Mr. Eyer declined Essential Communications' offer to submit a credit request to the Estate of Essential.com for the May 25th call to El Cajon. During our telephone conversation on January 11, 2002 Mr. Eyer stated that it has been approximately four to five months since his last attempt to contact Essential Communications.

Please feel free to contact me directly with any additional questions that you may have regarding this docket.

Sincerely,



Peter Kelly
Customer Relations Supervisor
Essential Communications
Pkelly@essential.com
(781) 229-9599 Ext. 106

C-20016636
310853

Formal Complaint Form
Pennsylvania Public Utility Commission

COPY

RECEIVED
2001 DEC 31 AM 9:51
SECRETARY'S BUREAU

Please Print: (you may also type your answers directly onto the form as it appears on your screen)

1. Your name, mailing address and telephone number:

Name ROBERT EYER / MICHAEL C. EYER

Street/P.O.Box 140 WHITE DOGWOOD DR. Apt #

City ETTERS State PA Zip 17319

County YORK Area Code/Home Phone (717) 932-5461
Area Code/Work Phone (717) 741-7829

2. Name of company your complaint concerns: ESSENTIAL.COM

3. What is your complaint? (Use additional paper if need more space).

I CONTRACTED WITH THE FOLLOWING COMPANY AS A LONG DISTANCE ACCESS PROVIDER. ACCESS WAS NEVER PROVIDED, YET MY MONTHLY BILLING ALMOST ALWAYS REFLECTED 1 CALL TO CALIFORNIA THAT I DIDNT MAKE. MY ATTEMPT TO CONTACT ESSENTIAL.COM ABOUT THE PROBLEMS FAILED AS THEY NEVER ANSWERED AT THE CONTACT NUMBER LISTED. (SEE ATTACHED CORRESPONDANCE).

4. What do you want the Public Utility Commission to do about your complaint? (Use additional paper if need more space).

PREVENT ESSENTIAL.COM OR ANY COMPANY TAKING OVER THEIR OPERATION FROM OPERATING IN A MANNER THAT COMPLAINTS CANNOT EVEN BE HEARD, LET ALONE RESOLVED.

END THE ACCOUNT ON AN OFFICIAL LEVEL TO PREVENT ANY FURTHER PROBLEMS BETWEEN MYSELF & THIS COMPANY

5. You must sign and date your complaint below.

The information I have placed on this form is true and correct to the best of my knowledge. I understand that I could be punished under Pennsylvania State Law if I purposely give false information.

Robert Eyer / Michael C. Eyer
Signature

12/28/2001
Date

RECEIVED
OFFICE OF C.A.L.J.
12 JAN - 8 PM 1:45
P.A.P.U.C.

Continued on next page

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6. If you are represented by a lawyer you must provide your lawyer's name, address and telephone number.

Lawyer's Name NOT REPRESENTED

Street _____

City _____ State _____ Zip _____

Area Code/Phone Number _____

Mail to:
Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

For more information, please contact the Secretary's Bureau at 717-772-7777.

Friday, December 28, 2001

Essential.com
PO Box 588
Lewiston, ME 04243-0588

Dear Sirs:

Attached is a copy of a recent collection letter and a check for the disputed amount. Even though I am remitting payment, I deny that I am responsible for this amount for the following reasons:

- I never actually received any long distance service. During the entire term of our agreement, I had to use a long distance dialing code to call anywhere outside of the local-long-distance area.
- Every month I was billed for a call to California which I did not make. I don't even know anyone in California.
- Whenever I tried to contact Essential.com with the numbers listed on your website, I either got a busy signal or the phone rang endlessly and was never answered. I tried this number perhaps two dozen times over the term of our agreement.
- The phone number in question has been disconnected since Nov., 2001.

Cancel the account immediately! No further payments will be made under any circumstances.

Be advised that a copy of this letter will be forwarded to the Pennsylvania Public Utility Commission attached to a complaint form.

Robert G. Eyer, for Michael C. Eyer
140 White Dogwood Dr.
Etters, PA 17319

Essential.com

FINAL NOTICE TERMINATION OF LONG DISTANCE TELEPHONE SERVICE IMMEDIATE ACTION REQUIRED

MICHAEL EYER
56 NORTHWOOD MNR
YORK HAVEN, PA 17370-9602

ACCOUNT NUMBER: 7172662214
USER NAME: miceye
PASSWORD: mice5256
TOTAL AMOUNT DUE: \$11.33

PAST DUE AMOUNT: \$11.33
DATE OF NOTICE: 12/03/01

Dear MICHAEL EYER

Your account for long distance telephone services is currently past due. Our records show that you have failed to make the required payment on your account. As a result, we are compelled to issue you this notice for proposed discontinuation of your telephone service with Essential. *It is very important that you pay the full past due amount or your service will be discontinued 10 days from the date on this notice. Payment must arrive at Essential.com prior to disconnect date.*

If you have already paid your bill in full, thank you for your payment, and you may disregard this notice. To view your account, visit our Web site, www.essential.com, and follow these instructions:

- Click Sign In/Join.
- Enter your username and password (both listed at the top of this notice); click Continue, and
- Your Account Overview opens, and you have access to your online bill.

If you fail to make this payment, your account will also be referred to a professional collection services agency for further attempts to collect the past due amount. To avoid this, you must remit the full past due balance to the following address:

Essential.com
PO Box 588
Lewiston, ME 04243-0588

To ensure no disruption in service, and no restoration fees, please pay your past balance in full immediately.

If you have any questions or issues concerning this letter or your account balance, please call us Monday through Friday at (888) 746-4983 between the hours of 9 AM and 6 PM, Eastern Standard Time.

Sincerely,
Essential.com

DOCUMENT
FOLDER



GADSBY HANNAH LLP

Alex F. Mattera
amattera@ghlaw.com

Tel 617 345 7025
Fax 617 204 8025

February 11, 2002

VIA FACSIMILE AND FIRST CLASS MAIL

The Honorable Wayne L. Weismandel
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
PO Box 3265
Harrisburg, PA 17105-3265

DOCKETED
FEB 25 2002

The Honorable Robert Christenson
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Office of Administrative Law Judge, Chief Judge
PO Box 3265
Harrisburg, PA 17105-3265

RECEIVED
FEB 13 AM 10:12:51
PENNSYLVANIA PUBLIC UTILITY COMMISSION

225 Franklin Street
Boston MA 02110
Tel 617 345 7000
Fax 617 345 7050
www.ghlaw.com

The Honorable Ky Van Nguyen
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
Office of Administrative Law Judge
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia PA 19130

Re: Kathleen Anderson v. Essential.com, Inc.
Robert and Michael C. Eyer v. Essential.com, Inc. **C-20016636**
Herman Shamberg v. Essential.com, Inc.

Gentlemen:

I am writing to you with regard to the three above-referenced matters which all involve the Debtor-in-Bankruptcy, Essential.com, Inc. (Chapter 11 Case No. 01-15339-WCH). My firm represents the recently appointed Plan Trustee of the Debtor's estate. Prior to confirmation of the Debtor's Plan of Liquidation on December 21, 2001, we represented the Official Committee of Unsecured Creditors.

Upon information and belief, the Debtor ceased its operations on or about August 10, 2001. Through a court approved sale process in the United States

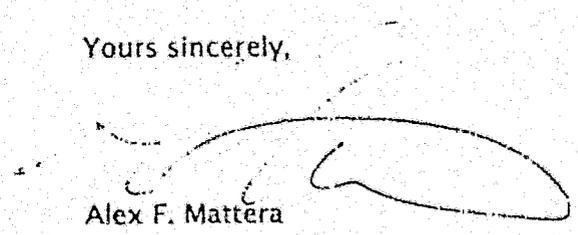
February 11, 2002
Page 2

GADSBY HANNAH LLP

Bankruptcy Court for the District of Massachusetts, the Debtor transferred its customer base to United Systems Access, Inc., on August 10, 2001. I enclose for your review copies of the court order approving the sale and the Asset Purchase Agreement between Essential.com and United Systems Access.

In the interest of efficiency and the conservation of judicial resources, I respectfully request that the above-referenced disputes be consolidated before a single administrative law judge. I remain available should you have any concerns or requests for further information.

Yours sincerely,



Alex F. Mattera

AFM/dm

Enclosures

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of August 7, 2001, is entered into between Essential.Com, Inc., a Delaware corporation ("the "Seller"), and United Systems Access, Inc., a Delaware corporation (the "Buyer").

WITNESSETH:

WHEREAS, the Seller is engaged primarily in the business of reselling long distance and local telecommunications and data communications services (which business is hereinafter referred to as the "Business");

WHEREAS, the Seller filed a voluntary petition for relief (the "Bankruptcy Case") under chapter 11, title 11 of the United States Code, 11 U.S.C. § § 101, et seq., as amended (the "Bankruptcy Code") in the United States District Court for the District of Massachusetts, Eastern Division (the "Bankruptcy Court") on June 29, 2001 (the "Petition Date"); and

WHEREAS, the Buyer desires to purchase the Private Sale Assets (as defined below) relating to the Business from the Seller in their entirety, and the Seller desires to sell such assets to the Buyer, upon the terms and subject to the conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements herein contained, the parties hereby agree as follows:

SECTION 1. DEFINITIONS.

As used in this Agreement, and in addition to the terms which are otherwise defined within the body of this Agreement, the following terms shall have the following meanings:

"Accounts" means all rights of the Seller to payment arising prior to the Closing for the following: (i) goods sold or leased or for services rendered, all sums of money or other proceeds due or becoming due thereon, all notes, bills, drafts, acceptances, instruments, documents and other debts, obligations and liabilities, in whatever form, owing to the Seller with respect thereto, (ii) all guaranties and security therefor, and the Seller's rights pertaining to and interest in such goods, including the right of stoppage in transit, replevin or reclamation; (iii) all chattel paper; (iv) all amounts due from affiliates of the Seller; (v) all insurance proceeds; (vi) all other rights and claims to the payment of money, under contracts or otherwise; and (vii) all other property constituting "accounts" as such term is defined in the Uniform Commercial Code.

"Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by or under direct or indirect common control with such other Person;

"Alternative Transaction" shall mean a transaction involving a sale of the Purchased Property by the Seller to a purchaser or purchasers other than the Buyer or its Affiliates;

"Bid Order" shall mean the August 1, 2001 order of the Bankruptcy Court.

"Business Day" shall mean any day other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Massachusetts are authorized by law or other governmental action to close;

"Claim" shall mean any claim (including, without limitation, any "claim" as defined in Section 101 of the Bankruptcy Code), lawsuit, demand, suit, inquiry made, hearing, investigation, notice of a violation, litigation, proceeding, arbitration, or other dispute, whether civil, criminal, administrative or otherwise;

"Contracts" shall mean, with respect to the Business, all written contracts, agreements, licenses, leases, permits, distribution arrangements, sales and purchase agreements, and purchase and sale orders to which Seller is a party, including without limitation contracts with the Seller's customers;

"Government" shall mean any agency, division, subdivision, audit group, procuring office or governmental or regulatory authority of the Government of the United States, any state or any foreign government, including the employees or agents thereof,

"Liabilities" shall mean obligations of any nature, whether absolute, accrued, contingent or otherwise, known or unknown, liquidated or unliquidated, whether due or to become due and whether or not required to be reflected or reserved against on a balance sheet under generally accepted accounting principles.

"Liens" shall mean any mortgage, pledge, security interest, encumbrance, lien, Claim, interest, charge or restriction of any kind, whether voluntary or involuntary, including any conditional sale or other title retention agreement, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction;

"Limiting Effect" shall mean a violation of a representation or warranty by Seller that would (i) preclude Buyer from obtaining any Governmental authorization for the transfer of the Purchased Property or (ii) limit in any material manner Seller's right to do business in any jurisdiction in which it is authorized to originate and terminate long distance traffic;

"Management Agreement" shall mean the management agreement to be entered into between Buyer and Seller on the Closing Date, pursuant to which Buyer will manage and operate the Private Sale Assets during the pendency of any necessary regulatory filings.

"Private Sale Assets" shall be all of the assets subject to auction as described in the August 1, 2001, *Notice of Private Sale of Assets Free and Clear of Liens, Claims and Encumbrances, Deadline for Submitting Objections and Counteroffers, and Hearing Date*, issued by the United States Bankruptcy Court for the District of Massachusetts (Eastern Division).

"Purchased Customers" shall mean all of Seller's end user dial up internet, local, and long distance relationships (other than Accounts) with customers, which customers shall at Closing be listed in an electronic format as currently maintained by Seller and reasonably satisfactory to Buyer (which electronic format shall include all customers in existence as of the Closing Date).

"Purchased Property" shall mean all of Seller's rights, title and interest in and to the following:

- (i) Purchased Customers;
- (ii) To the extent assignable, all of Seller's trademarks (whether registered or unregistered) and service marks rights in the names "Essential.com" and "Essentials.com", all tradenames, brand names, domain names, logos, processes, methods, trade secrets, product specifications,

designs, and other technical information, websites, the URLs www.essential.com and www.essentials.com, and other related intellectual property and software owned in full by Seller;

(iii) All account lists, sales records, customer credit card information and correspondence with the Purchased Customers, in each case to the extent relating solely to the Business and relating to the Purchased Property, as well as all historical information (including billing information) received, obtained or generated by Sellers; and

(iv) all letters of authorization and third-party verifications with respect to Purchased Customers, in whatever form and media they are currently maintained.

(v) all customer lists, customer records, customer files, customer data, sub-CIC arrangements, computer data records, billing data, billing files and similar items related to the foregoing.

"Sale Hearing" shall mean the hearing before the Bankruptcy Court to, *inter alia*, consider approval of this Agreement; and

"Sale Order" shall mean an order of the Bankruptcy Court, which shall provide, among other things and without limitation, that: (i) the sale of the Purchased Property to the Buyer, in accordance with the terms and conditions of this Agreement and pursuant to, among others, Section 363 of the Bankruptcy Code are approved; (ii) the consideration provided by the Buyer pursuant to this Agreement constitutes reasonably equivalent value and fair consideration for the Purchased Property; (iii) the Buyer is a good faith purchaser of the Purchased Property, as that term is used in Section 363(m) of the Bankruptcy Code, and is entitled to the protections provided by such section; and (iv) the sale and transfer of the Purchased Property to the Buyer shall vest the Buyer with all right, title and interest to the Purchased Property free and clear of all Liens.

SECTION 2. PURCHASE AND SALE OF THE PURCHASED PROPERTY; ASSUMPTION OF LIABILITIES.

SECTION 2.1. Transfer of Assets. Subject to the terms and conditions herein set forth and pursuant to, among others, Sections 105 and 363 of the Bankruptcy Code, the Seller shall sell, convey, transfer, assign and deliver to the Buyer, and the Buyer shall purchase and accept from the Seller, on the Closing Date, all right, title and interest of the Seller in and to the Purchased Property, wherever located.

SECTION 2.2. Sale at Closing Date. The sale, transfer, assignment and delivery by the Seller of the Purchased Property to the Buyer, as herein provided, shall be effected on the Closing Date by bills of sale, assignments and other instruments of transfer and conveyance as may be requested by the Buyer.

SECTION 2.3. Assumption of Liabilities. At Closing Buyer shall (a) assume and perform all of the obligations of Seller arising from the use of the Purchased Property following the Closing and (b) assume the responsibility to obtain, and the liability, if any, for any failure to obtain, all necessary licenses, permits, consents or approvals of any Government or third party with respect to the execution, delivery and performance of this Agreement by Buyer, consummation of the transactions contemplated hereby by Buyer and the operation of the Business and use of the Purchased Property by Buyer following the Closing (collectively, the "Assumed Liabilities").

SECTION 2.4. No Other Liabilities Assumed. Seller acknowledges and agrees that pursuant to the terms and provisions of this Agreement and under any Contract, the Buyer will not assume any Liabilities of Seller, other than the Assumed Liabilities.

SECTION 3. PURCHASE PRICE; ACCOUNTS RECEIVABLE.

SECTION 3.1. Purchase Price. The purchase price for the sale and transfer of the Purchased Property is \$1,300,000.00 in cash (the "Purchase Price").

SECTION 3.2. Deposit. The Buyer has previously deposited with counsel to Seller \$55,000.00 (the "Deposit"), which shall be applied to the Purchase Price.

SECTION 3.3. Payment of Purchase Price. In payment for the Purchased Property, at the Closing:

(a) Counsel to Seller shall deliver the Deposit, together with any interest thereon, to the Seller, and

(b) the Buyer shall pay to the Seller the Purchase Price less the amount paid pursuant to clause (a) above, by wire transfer of immediately available funds to a bank account designated by the Seller in writing to the Buyer on or before the Closing Date.

SECTION 3.4. Collection of Accounts Receivable. The Accounts are not included in the Purchased Property and shall remain the property of Seller. Buyer and Seller shall have the following rights and obligations with respect to the Accounts following the Closing:

(a) Buyer, as agent for Seller, shall, for a period of sixty (60) days following the Closing, use commercially reasonable efforts to collect all of the Accounts from Purchased Customers including amounts which as of the closing date are unbilled. Buyer, as agent for the Seller shall render invoices to the Purchased Customers for any unbilled amounts, provided that such amounts are provided to Buyer on a timely basis to be included in the regular billing cycle in which the customer is accustomed to. All collections by Buyer after the Closing Date from Purchased Customers shall be applied first to the oldest of Seller's Accounts from said customers; provided, however, that if Buyer is required to take any collection action which includes the hiring of a third party due to any Purchased Customer's failure to timely satisfy its payment obligations, then the net recoveries from such actions shall be allocated among the unpaid Accounts and any amount due to Buyer from such Purchased Customers on a pro rata basis in accordance with the respective balances due.

(b) All monies from the collection of the Accounts of Purchased Customers payable to Seller shall be held in trust by Buyer and shall be remitted weekly to Seller, along with a written remittance advice and other written reports reasonably requested by Seller.

(c) In consideration of Buyer's collection efforts, Buyer shall withhold a fee of ten percent (10%) from the collections of the Accounts of Purchased Customers remitted to Seller.

(d) After the sixty day period described in Section 3.4(a), Seller, in its sole discretion shall have the right, upon three (3) Business Days written notice to Buyer to obtain the return from Buyer of all remaining

Accounts from the Purchased Customers, the right to seek collection thereof and all related records, and in its discretion to thereafter collect, or place for collection with a third party, such Accounts.

(c) At any time after the Closing, Seller shall have the right, upon reasonable advance notice to Buyer, to audit the Accounts of the Purchased Customers, books and records related thereto and Buyer's collection thereof provided, however, that such audit shall not unreasonably interfere with Buyer's business and shall be conducted at Seller's expense.

(f) Seller shall retain the sole right to collect Accounts from Persons who are not Purchased Customers. Buyer shall be required to turn over any and all funds received on account of such Accounts.

(g) In the event that the Closing occurs between Seller's billing cycles (such that, as of the Closing date, some of the Accounts have not been billed), on or about what would be Seller's next billing cycle(s) Buyer will issue bills to the Purchased Customers covering such unbilled Accounts and the amounts due to Buyer for services rendered to the Purchased Customers after the Closing. Unbilled Accounts accruing through the Closing Date shall be for Seller's account and any collections thereon shall be remitted to Seller in accordance with this Section.

SECTION 4. CLOSING

The closing hereunder (the "Closing") shall take place at the offices of Hanify & King, P.C. One Federal Street, Boston, Massachusetts 02110 at 10:00 a.m. on the first Business Day following the entry of the Sale Order, provided there is no reversal, modification or stay pending appeal of such Sale Order, or on such other date and at such other place and time as may be mutually agreed to by the parties hereto (the "Closing Date").

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE SELLER

As of the date hereof, Seller hereby represents and warrants to the Buyer (which representations and warranties shall not survive the Closing of the transactions contemplated hereby) that:

~~SECTION 5.1.~~ SECTION 5.1. Corporate Organization. Seller is duly organized and validly existing under the laws of the jurisdiction of its organization. Subject to any necessary authority from the Bankruptcy Court and the receipt by Buyer or Seller of any Government or third party consent or approval, the Seller has all requisite corporate power and authority to own its properties and assets and to conduct the Business as now conducted.

SECTION 5.2. Authorization and Validity of Agreement. Seller has all requisite corporate power and authority to enter into this Agreement and, subject to the Bankruptcy Court's entry of the Bid Order and the Sale Order and the receipt of the consents, waivers and approvals of any Government, to carry out its obligations hereunder. The execution and delivery of this Agreement, and the performance of Seller's obligations hereunder have been duly authorized by all necessary corporate action of Seller, and, subject to the Bankruptcy Court's entry of the Bid Order and the Sale Order, no other corporate proceedings on the part of Seller shall be necessary to authorize such execution, delivery and performance. This Agreement has been duly executed by Seller and, subject to the Bankruptcy Court's entry of the Orders, constitutes its valid and binding obligation, enforceable against Seller in accordance with its terms.

SECTION 5.3. No Conflict or Violation. Subject to the Bankruptcy Court's entry of the Bid Order and the Sale Order and receipt of the Government consents required, the execution, delivery and performance by the Seller of this Agreement do not and will not violate or conflict with any provision of the Certificate of Incorporation or By-laws of the Seller and do not and will not violate any provision of law, or any order, judgment or decree of any court or Government applicable to the Seller.

SECTION 5.4. Title, Ownership and Related Matters. Subject to the entry of the Sale Order, at the Closing the Seller will have good and marketable title to, or right by license or other agreement to use, the Purchased Property, free and clear of all Liens.

SECTION 5.5. Consents and Approvals. Except for approval of the Bankruptcy Court and consents, approvals or filings of or with any Government, no consent, waiver, authorization or approval of any other third party is required in connection with the execution and delivery of this Agreement by Seller or the performance by the Seller of its obligations hereunder.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE BUYER.

The Buyer hereby represents and warrants to the Seller as follows:

~~SECTION 6.1.~~ **SECTION 6.1. Corporate Organization.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to own its properties and assets and to conduct its businesses as now conducted.

SECTION 6.2. Authorization and Validity of Agreement. The Buyer has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance of the Buyer's obligations hereunder have been duly authorized by all necessary corporate action by the Buyer, and no other corporate proceedings on the part of the Buyer are necessary to authorize such execution, delivery and performance. This Agreement has been duly executed by the Buyer and constitutes its valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 6.3. No Conflict or Violation. Except for any required governmental authorities, the execution, delivery and performance by the Buyer of this Agreement do not and will not violate or conflict with any provision of the Certificate of Incorporation or By-laws of the Buyer and do not and will not violate any provision of law, or any order, judgment or decree of any court or Government applicable to the Buyer.

SECTION 7. COVENANTS OF THE SELLER.

The Seller covenants as follows:

~~SECTION 7.1.~~ **SECTION 7.1. Conduct of Business Before Closing Date.** Unless otherwise consented to in writing by Buyer, between the date hereof and the Closing Date, Seller shall, subject to the provisions of the Bankruptcy Code, operate the Business in the ordinary course consistent with current practice, which shall include, without limitation, continuing to provide Purchased Customers with the telecommunications services they have requested, providing "customer service" to said customers, and issuing billings to Purchased Customers on the Seller's customary billing cycle. Seller shall not take any action which

shall cause it to be in breach of any representations, warranties, covenants or agreements contained in this Agreement.

SECTION 7.2. Consents and Approvals. Seller shall use commercially reasonable efforts to fully cooperate with Buyer, including after the Closing, in connection with Buyer's efforts to obtain the necessary consents and approvals of any applicable state public utility commissions ("PUCs"), until such date as the Seller (and any of its representatives, including any subsequently appointed trustee or liquidating agents) continues to be available in such capacity.

SECTION 7.3. Access to Properties and Records; Confidentiality; Delivery of, and Access to, Information.

(a) Seller shall afford to Buyer, and the accountants, counsel and representatives of Buyer, reasonable access during normal business hours throughout the period prior to the Closing Date to all books, records and operations of the Seller relating to the Purchased Property. The rights of access contained in this Section 7.3 are granted subject to, and on, the following terms and conditions: (i) any such investigation will be conducted in such a manner as not to interfere unreasonably with the operation of the Business; (ii) during the period from the date hereof to the Closing Date, all information provided to the Buyer or its representatives by or on behalf of the Seller or its representatives (whether pursuant to this Section 7.3 or otherwise) will be governed and protected by the Confidentiality Agreement between Seller and Buyer, (iii) such right of access shall not limit in any manner Seller's right to undertake actions necessary to ensure the safety and security of its employees and property, and (iv) where reasonably possible, the identity of all Persons designated by Buyer to enter Seller's place of business pursuant to this section shall be disclosed to Seller in advance along with the dates of access to Seller's place of business sought by each such person.

(b) Seller shall (i) immediately upon execution of this Agreement, begin to provide Buyer the information regarding the Purchased Customers as set forth in the definition of such term and provide access to all other information necessary to enable Buyer to bill Purchased Customers immediately as of and after the Closing, and (ii) timely provide Buyer the information regarding the Purchased Customers necessary to enable Buyer to immediately, after entry of the Bid Order, provide the notice required by FCC Order. Seller shall undertake commercially reasonable efforts to maintain its relationship with underlying carriers for a short time after the Closing Date, as shall be provided in the Management Agreement, provided that Buyer shall be responsible for all amounts due to such underlying carriers for carrying the traffic of Purchased Customers after the Closing Date.

SECTION 7.4. Further Assurances. Upon the request and at the expense of the Buyer at any time after the Closing Date, and until such date as the Seller (and any of its representatives, including any subsequently appointed trustee or liquidating agents) continues to be available in such capacity, Seller shall forthwith execute and deliver such documents as the Buyer or its counsel may reasonably request to effectuate the purposes of this Agreement.

SECTION 7.5. Reasonable Efforts. Upon the terms and subject to the conditions of this Agreement, Seller will, subject to any orders of the Bankruptcy Court and the Bankruptcy Code, use commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary or proper, consistent with applicable law, to consummate and make effective the transactions contemplated hereby including, without limitation, all commercially reasonable actions required to be taken by the Seller to obtain the Bankruptcy Court's entry and approval of the Bid Order and the Sale Order.

SECTION 7.6. Bankruptcy Court Approval. Upon execution of this Agreement, Seller shall file any necessary motion with the Bankruptcy Court seeking approval of the transactions contemplated hereunder ("Approval Motion").

SECTION 7.7. Regulatory Notice to Customers. At Buyer's request, Seller agrees to send its customers any notice required by the FCC Order, any state public utility commission or any other law or regulation to be sent by Seller. To the extent the FCC Order, any state public utility commission or any other law or regulation permits a regulatory notice to be sent by either Buyer or Seller, such notice shall be sent by Buyer.

SECTION 7.8. Management Agreement. Buyer and Seller shall enter into a Management Agreement as of the Closing Date, pursuant to which Buyer will manage and operate the Purchased Property during the pendency of any regulatory approvals necessary for Buyer to obtain.

(a) During the term of the Management Agreement, Seller shall maintain its status before the FCC and all state public service commissions as a provider of regulated telecommunications services, and shall remain the carrier of record for all of its current customers until such time as the FCC and all state public service commissions have granted regulatory approval to Buyer to transfer such services, to the extent required, consistent with the terms of the Management Agreement.

SECTION 8. COVENANTS OF THE BUYER.

SECTION 8.1. Actions Before Closing Date. Buyer shall not take any action which shall cause it to be in breach of any representations, warranties, covenants or agreements contained in this Agreement. The Buyer shall use commercially reasonable efforts to perform and satisfy all conditions to Closing to be performed or satisfied by the Buyer under this Agreement as soon as possible.

SECTION 8.2. Consents and Approvals. The Buyer acknowledges that it is assuming all responsibility to obtain, or for any failure by Buyer to obtain, any consent or approval of this transaction from any Government or other Person and that the failure to obtain such consents or approvals by Buyer or Seller shall not be a condition to Closing.

SECTION 8.3 Reasonable Efforts. Upon the terms and subject to the conditions of this Agreement, Buyer will use commercially reasonable efforts to take, or cause to be taken, all action reasonably necessary and consistent with applicable law, to consummate and make effective the transactions contemplated hereby including, without limitation, all actions to be taken pursuant to obtain the Bankruptcy Court's entry of the Sale Order.

SECTION 9. TERMINATION OF REPRESENTATIONS, WARRANTIES AND COVENANTS:

The representations, warranties and covenants of the Seller contained in this Agreement or in any document delivered pursuant hereto shall terminate as of the Closing Date.

SECTION 10. CONDITIONS PRECEDENT TO PERFORMANCE BY THE SELLER.

The obligations of the Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following condition:

~~SECTION 10.1.~~ SECTION 10.1. Representations and Warranties of the Buyer. All representations and warranties made by the Buyer in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if again made by the Buyer on and as of such date, except for failures to be true and correct that do not result in a material adverse effect on the Buyer's ability to execute and deliver this Agreement or its ability to perform its obligations hereunder.

SECTION 10.2. Performance of the Obligations of the Buyer. The Buyer shall have performed in all material respects all obligations required under this Agreement to be performed by it on or before the Closing Date.

SECTION 10.3. Entry of the Sale Order. (i) The Bankruptcy Court shall have entered the Sale Order and (ii) no order staying, reversing, modifying or amending the Sale Order shall be in effect on the Closing Date.

SECTION 11. CONDITIONS PRECEDENT TO THE PERFORMANCE BY THE BUYER.

The obligations of the Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing Date, of the following conditions, any one or more of which may be waived by the Buyer in its sole discretion:

~~SECTION 11.1.~~ SECTION 11.1. Representations and Warranties of the Seller. All representations and warranties made by the Seller in this Agreement shall be true and correct in all material respects on and as of the Closing Date as if again made by the Seller on and as of such date, except for failures to be true and correct that do not result in a material adverse effect on the Seller's ability to perform its obligations hereunder or which will not have a Limiting Effect.

SECTION 11.2. Performance of the Obligations of Seller. Seller shall have performed in all material respects all obligations required under this Agreement to be performed by it on or before the Closing Date.

SECTION 11.3. Entry of the Sale Order. The Bankruptcy Court shall have entered the Sale Order in form satisfactory to the Buyer and no order staying, reversing, modifying or amending the Sale Order shall be in effect on the Closing Date.

SECTION 11.4. Purchased Customers. There shall have been delivered to Buyer the Purchased Customers list in electronic form as referenced in the first sentence of the definition of such term.

SECTION 11.5. Billing Information. Seller shall have provided Buyer access to all information necessary and useful to enable Buyer to bill Purchased Customers after the Closing.

SECTION 11.6. Bill of Sale. Seller shall have executed and delivered to Buyer or Buyer's nominee a bill of sale in a form acceptable to Buyer and Seller.

SECTION 11.7. Determination of Purchased Customers. The number of Purchased Customers determined by Buyer and Seller on or before the Closing Date will be approximately 70,000, of which approximately 20,000 are local exchange customers.

SECTION 12. TERMINATION.

SECTION 12.1. Conditions of Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated at any time before the Closing:

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

(b) By the Buyer, on the date that is forty-five (45) days after the date hereof, if the Closing has not occurred because any condition contained in Section 11 has not been satisfied or waived; provided, however, that the right to terminate this Agreement under this paragraph (c) shall not be available to the Buyer if its failure to fulfill any of its obligations under this Agreement shall have been the reason that the Closing was not consummated on or before said date;

(c) By the Seller, if Buyer is the successful bidder at the Auction and Buyer fails (through no fault of Seller) to timely close the transactions contemplated hereunder, after Buyer receives written notice of such failure from Seller and fails to close within two Business Days thereafter.

(d) By the Buyer, upon approval by the Bankruptcy Court of any transaction based upon a Superior Bid, as defined below; provided that at such time as such transaction closes, this Agreement shall be deemed terminated (subject to the parties rights and obligations in the event of a termination).

If the Buyer or the Seller terminates this Agreement pursuant to the provisions hereof, such termination will be effected by written notice to the other party specifying the provision hereof pursuant to which such termination is made.

~~SECTION 12.~~ SECTION 12.2. Effect of Termination; Remedies.

In the event of termination pursuant to Section 12.1, this Agreement shall become null and void and have no effect (other than Sections 12 and 14 which shall survive termination), with no liability on the part of the Seller or the Buyer, or their respective directors, officers, employees, agents, members, managers or stockholders, with respect to this Agreement.

If this Agreement is terminated:

(i) Pursuant to Sections 12.1(a) or (b) or as a result of the failure to satisfy the condition in Section 10.3, the Deposit, together with the interest accrued thereon, shall be returned to the Buyer;

(ii) By the Seller as a result of the failure to satisfy the conditions in Sections 10.1 or 10.2, the Seller shall be entitled to payment of the Deposit and any interest accrued thereon, in addition to any other remedies Seller may have at law or equity against Buyer.

SECTION 13. MISCELLANEOUS.

~~SECTION 11.~~ SECTION 13.1. Successors and Assigns. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto.

SECTION 13.2. Governing Law, Jurisdiction. This Agreement shall be construed, performed and enforced in accordance with, and governed by, the laws of the Commonwealth of Massachusetts (without giving effect to the principles of conflicts of laws thereof), except to the extent that the laws of such State are superseded by the Bankruptcy Code. For so long as the Seller is subject to the jurisdiction of the Bankruptcy Court, the parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with the Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After the Seller is no longer subject to the jurisdiction of the Bankruptcy Court, the parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the jurisdiction of, any state or federal court of competent jurisdiction within the Commonwealth of Massachusetts.

SECTION 13.3. Expenses. Except as otherwise provided herein, each of the parties hereto shall pay its own expenses in connection with this Agreement and the transactions contemplated hereby, including, without limitation, any legal and accounting fees, whether or not the transactions contemplated hereby are consummated.

SECTION 13.4. Broker's and Finder's Fees. Each of the parties represents and warrants that it has dealt with no broker or finder in connection with any of the transactions contemplated by this Agreement, and, insofar as such party knows, no other broker or other Person is entitled to any commission or finder's fee in connection with any of these transactions.

SECTION 13.5. Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth at the later of the date this Agreement was executed or last amended.

SECTION 13.6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (i) on the date of service if served personally on the party to whom notice is to be given; (ii) on the day of transmission if sent via facsimile transmission to the facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission; (iii) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service; or (iv) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to (a) Seller at Essential.com, Inc., One Burlington Woods Drive, Burlington, MA 01803, Attn: Basil Pallone ; Telecopy: (781) 229-9499, with a copy to: Hanify & King, P.C., One Federal Street, Boston, Massachusetts 02110 Attn: Harold B. Murphy, Esq., Telecopy: (617) 423-0498, and (b) Buyer at

5 Bragdon Lane, Suite 200, Kennebunk, MA 04043; Attn: Stephen Gilbert; Telecopy: (207) 467-8008, with a copy to O'Melveny & Myers LLP, 1650 Tysons Boulevard, Suite 1150, McLean, VA 22102; Attn: Dana Frix; Telecopy: (703) 287-2404. Any party may change its address for the purpose of this Section by giving the other party written notice of its new address in the manner set forth above.

SECTION 13.7. Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be nor construed as a furthering or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

SECTION 13.8. Entire Agreement. This Agreement contains the entire understanding among the parties hereto with respect to the transactions contemplated hereby and supersedes and replaces all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. All schedules hereto and any documents and instruments delivered pursuant to any provision hereof are expressly made a part of this Agreement as fully as though completely set forth herein.

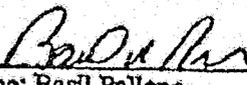
SECTION 13.9. Parties in Interest. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the Seller and the Buyer and their respective successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third Persons to the Seller or the Buyer. No provision of this Agreement shall give any third Persons any right of subrogation or action over or against the Seller or the Buyer.

SECTION 13.10. Section and Paragraph Headings. The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

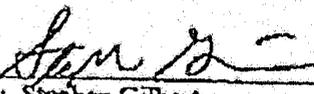
SECTION 13.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

ESSENTIAL.COM, INC.

By: 
Name: Basil Pallone
Title: Vice President and Chief Financial Officer

UNITED SYSTEMS ACCESS, INC.

By: 
Name: Stephen Gilbert
Title: Chief Executive Officer

TC1463230.3

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement") is made as of August 10, 2001 (the "Effective Date") by and among Essential.com, Inc. ("Company") and United Systems Access, Inc., ("Manager") (Company and Manager each, a "Party" and collectively, the "Parties"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement (as defined below).

RECITALS

WHEREAS, Company is a reseller of long distance and local telecommunications and data communication services in various jurisdictions throughout the United States (collectively, Seller's business is referred to as the "Business");

WHEREAS, Company and Manager have entered into that certain Asset Purchase Agreement dated as of August 9, 2001 (the "Purchase Agreement"), whereby Company has agreed to sell, transfer and assign to Manager the Purchased Property (the "Acquisition");

WHEREAS, in order to operate the Business, it has been necessary for Company to obtain, and Company has obtained, governmental authorizations (the "Authorizations") from the Federal Communication Commission (the "FCC") and from the telecommunications regulatory entities of the states in which the Purchased Customers are located (collectively, the "Commissions");

WHEREAS, as of the Closing (i) the Commissions that have granted the Authorizations to Company have not yet consented to the Acquisition (such consents, the "Commission Consents"); and (ii) the thirty (30) day notice period required by the FCC Order has not expired (the expiration of such period, the "FCC Notice Expiration") (said outstanding Commission Consents and the FCC Notice Expiration, being referred to herein as the "Regulatory Consents");

WHEREAS, Company and Manager have agreed to enter into an agreement under which (i) Company will continue to own, to the extent required by the FCC and the Commissions, the Purchased Property which relate to the Regulatory Consents for such period as is required by the FCC and the Commissions, or any of them, and (ii) Manager will manage the portion of the Business still owned and/or controlled by Company related to the Purchased Property and subject to the Regulatory Consents, (the "Retained Business") as contemplated hereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and of the representations, warranties, covenants and agreements contained herein, Company and Manager agree as follows:

ARTICLE I
MANAGEMENT SERVICES; COMPANY'S POLICIES AND PROCEDURES

1.1 Company hereby appoints Manager, and Manager hereby accepts the appointment, to manage the Retained Business, at the sole cost and expense of Manager, in such manner as the Manager deems appropriate and in compliance with the Authorizations and applicable law. Such management duties shall include, but not be limited to:

- (a) Providing all operational personnel and other operational services necessary for the operation of the Retained Business;
- (b) Subject to the terms of Section 3.4 of the Purchase Agreement, collecting all accounts receivable (and maintaining collections in an account of Manager), rendering all bills, processing all credit card charges and keeping books and records;
- (c) Providing all resources necessary to operate the Retained Business;
- (d) Marketing the services of the Retained Business; and
- (e) Taking all action and doing all things necessary and proper to carry out the duties of operating and managing the Retained Business and to comply with applicable law.

1.2 During the Term of this Agreement, the Company shall, (subject to Company having personnel necessary to perform the related tasks and in no event shall Company be required to expend any monetary resources in such process or to provide or maintain personnel) undertake commercially reasonable efforts to:

- (a) maintain current pricing with respect to the Retained Business, unless otherwise directed by Manager and authorized by applicable law;
- (b) Forward any Purchased Customers account inquiries to the Manager and refer the Purchased Customer to the Manager for all purposes.
- (c) Comply with and maintain the Company's tariffs;
- (d) Assist Manager in its negotiation efforts with underlying carriers, including but not limited to Verizon and Qwest, to facilitate discussion of a contractual relationship between Manager and such parties;
- (e) Supply Manager with copies of all lists of Purchased Customers and related account information; and

- (g) Assist Manager in its transition of Purchased Customers to Manager, including the provision to Manager of reasonable access to information regarding Purchased Customers.

1.3 Manager will bear all costs associated with operating the Retained Business and complying with applicable law; provided that nothing herein shall be deemed to modify the terms under which Manager has acquired the Purchased Assets including, without limitation, that Manager acquired the Purchased Assets free and clear of liens and Manager did not assume any of Company's liabilities, except as set forth in the Purchase Agreement and the Sale Order.

ARTICLE II TERM

This Agreement shall become effective on the date of the Closing and shall terminate on the earlier of (i) the date that Manager has received all of the Regulatory Consents and all actions required by Regulatory Consents shall have been completed by Manager, or (ii) nine (9) months after the execution of this Agreement.

ARTICLE III COMPENSATION

3.1 As consideration for Manager providing Company the management services described herein, Company agrees to pay Manager during the Term of this Agreement a monthly fee equal to the "net profit" derived from revenues paid to Manager by Purchased Customers included in the Purchased Property during such period. Manager is directed to pay itself the monthly fee due hereunder from the revenues generated from services provided following the Closing and paid to Manager following the Closing by Purchased Customers included in the Purchased Property for such month.

3.2 Company will not have any obligation to (a) pay Manager any fee other than as provided in this Section 3 and then solely from revenues generated and collected by Manager from Purchased Customers included in the Purchased Property for services rendered following the Closing, or (b) reimburse Manager for any costs or losses associated with the Purchased Property or operation of the Retained Business.

ARTICLE IV COVENANTS

4.1 Each Party will during the Term of this Agreement use commercially reasonable efforts to:

- (a) Continue to work diligently with the other Party to obtain for Manager the Commission Consents from each of the Commissions, to the extent that they have not yet been obtained and subject to Company having personnel necessary to

perform the related tasks (in no event, however, shall Company be required to expend any monetary resources in such process or to provide or maintain personnel);

- (b) Not intentionally commit any act or omit to take any act (in the case of an omission, Manager shall have previously provided thirty (30) days prior written notice of the required action), following the Closing (x) that will directly or indirectly cause a rejection, suspension, modification or cancellation of the Authorizations, or (y) interfere with Manager's ability to obtain the Commission Consents. The obligation of the Company to take any necessary action shall be at the sole cost and expenses of Manager and subject to Company having personnel necessary to perform the related tasks, but in no event shall Company be required to expend any monetary resources in such process or to provide or maintain personnel;
- (c) Give prompt notice, orally and in writing, to the other Party of any change or event having, or which, insofar as can reasonably be foreseen in the future, would have, a material adverse effect on the Authorizations or Manager's ability to obtain the Commission Consents;
- (d) Provide the other Party copies of all material notices and communications received by a Party that relate to the Authorizations or the Purchased Property, as the case may be; and
- (e) Maintain in good standing all certificates and approvals, including the Authorizations, necessary to own and operate the Retained Business in each state for which Manager has not received the Commission Consents (to the extent that Company is required to take any action, it shall be at the sole cost and expense of Manager and subject to Company having personnel necessary to perform the related tasks, but in no event shall Company be required to provide or maintain personnel).

4.2 This Agreement, to the extent permitted by law, shall constitute an equitable assignment by Company to Manager of all of such Company's rights, benefits, title and interest in and to the Purchased Property, and where necessary or appropriate, Manager shall be deemed to be such Company's agent for the purpose of completion, fulfilling and discharging all of such Company's rights and obligations arising on or after the date hereof under such Purchased Property.

4.3 To the extent that the Company is required to incur any cost or expense to enable it to comply with the covenants or other agreements in this or other sections of this Agreement (including, without limitation, expenses associated with retention of employees or office space after the date hereof) or otherwise for the benefit of Manager, Manager shall promptly reimburse the Company for all such related costs and expenses within seven (7) days following receipt of an invoice therefor.

ARTICLE V WARRANTY

Manager warrants that it will perform its duties and obligations under this Agreement consistent with industry standards and in accordance with the Authorizations and other applicable law.

ARTICLE VI GRANT OF LICENSES

6.1 License to Use Purchased Property. Except as set forth in Section 3.4 of the Purchase Agreement, Company hereby irrevocably grants Manager an exclusive license to use the Purchased Property (the "Manager License") to the extent permitted by applicable law. The Manager License shall have a term coterminous with this Agreement, subject to the provisions of Article II hereof. Manager's use of the Purchased Property shall be exclusive except for Company's right to use such facilities as the Parties mutually deem appropriate in connection with the satisfaction of the Company's obligations as the holder of the Authorizations.

ARTICLE VII DEFAULT

7.1 Events of Default. The following, after the expiration of the applicable cure periods specified in Section 7.2, shall constitute "Events of Default" under this Agreement:

- (a) Default in Covenants. Any Party's material default in the observance or performance of any covenant, condition or agreement contained herein; or
- (b) Breach of Representation. Any Party's material breach of any representation or warranty made by it herein, or in any certificate or document furnished pursuant to the provisions hereof, which shall prove to have been false or misleading in any material respect as of the time made or furnished.

7.2 Cure Periods. An Event of Default shall not be deemed to have occurred until seven (7) days after the non-defaulting Party has provided the defaulting Party with written notice specifying the event or events that if not cured would constitute an Event of Default, and such event has not been cured within such time period, provided however, the period for cure may be shortened to the extent reasonably required to comply with an order or directive by the FCC, the Commissions or other governmental agency or applicable law.

7.3 Indemnification by Manager. Manager shall indemnify, defend and hold harmless Company and its officers, directors, employees and agents from any and all claims, losses, liabilities, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, costs and expenses) incurred by such parties in connection with the Retained Business including,

but not limited to, (a) a breach or default by Manager of (i) any term, condition, obligation or agreement of Manager in this Agreement or (ii) applicable law, (b) any liability of such parties to the FCC, the Commissions, any other governmental authority or third party for any amount due (including without limitation and fees, expenses, fines or penalties, arising from the operation or management of the Retained Business after the date hereof. In no event shall the foregoing sentence preclude Manager from bringing or maintaining an action against the Company upon an Event of Default by the Company.

ARTICLE VIII PURCHASE AGREEMENT

Nothing herein shall be deemed to limit or otherwise modify the rights and obligations of the Parties under the Purchase Agreement, which rights and obligations shall have terminated or shall remain in effect in accordance with their terms.

ARTICLE IX FORCE MAJEURE

The Parties' obligations under this Agreement will be suspended as a result of any act of God, terrorist act, military action, strike, lockout or other organized labor problem, or unavailability of supplies or materials as a result of any of the foregoing, rendering such parties performance under this Agreement impossible. Such obligations will be suspended until such time as the interrupting event abates and the Parties may reasonably operate as they had prior to such event.

ARTICLE X CONFIDENTIALITY

Any information (x) disclosed to Company by Manager in a document or other medium indicated to be confidential by a label, legend or other notice, or (y) known to be confidential by Company with respect to the Purchased Property (collectively, the "Confidential Information") will be used by Company solely for the purpose of enforcing its rights or performing its obligations under this Agreement or the Purchase Agreement. Company will not divulge any Confidential Information to anyone without the written consent of Manager, except as required by law or to enforce its rights under the Purchase Agreement or this Agreement. Company shall treat such Confidential Information with the same degree of care against disclosure that it affords to its own confidential information, and in no event less than reasonable care. This obligation of confidential treatment shall not apply to any information that: (i) may be necessary for Company to enforce the obligations of Manager under the Purchase Agreement or this Agreement (ii) has become generally available in the public domain; (iii) was received from a third party who had a right to disclose such information; or (iv) is required to be disclosed to comply with applicable laws, governmental rules or regulations, subpoenas or court orders; *provided* that with respect to any disclosure of information pursuant to clause (iv), the Company will consult with Manager and cooperate with Manager in opposing or limiting the scope of disclosure. Unless required by law, this Agreement will not be recorded in any public records.

ARTICLE XI ASSIGNMENT

Neither Party hereto may assign its rights or obligations under this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed, except that Manager may assign its rights and obligations under this Agreement to any parent, subsidiary or affiliate of Manager, or to an entity acquiring all or a substantial portion of the Purchased Property from Manager.

ARTICLE XII NO CHANGE IN CONTROL

This Agreement shall not be construed to constitute a change in control in violation of the laws or regulations administered by the FCC or any Commission.

ARTICLE XIII MISCELLANEOUS

13.1 Notice. All notices or other communications hereunder shall be made in the same manner and subject to the same terms as set forth in the Purchase Agreement.

13.2 Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Manager and Company, or in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13.3 Governing Law; Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, its rules of conflict of laws notwithstanding. For so long as the Company is subject to the jurisdiction of the Bankruptcy Court, the Parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with the Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After the Company is no longer subject to the jurisdiction of the Bankruptcy Court, the Parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the jurisdiction of, any state or federal court of competent jurisdiction within the Commonwealth of Massachusetts and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on such Party at the address and in the manner provided in Section 13.1.

13.4 Relationship of the Parties. Subject to Section 4.2 of this Agreement, Company and Manager shall be independent contractors. Subject to Section 4.2 of this Agreement,

Company, nothing contained herein shall be deemed to create any franchise, fiduciary, agency, partnership, joint venture, employment or special relationship between them.

13.5 Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters.

13.6 Parties in Interest. Except as otherwise provided in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any person other than Manager, the Company or their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

13.7 Headings. Headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

13.8 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, and such counterparts shall together constitute but one and the same instrument.

13.9 Severability. Except as expressly set forth in Section 13.10, if any provision contained in this Agreement is held to be invalid, illegal or unenforceable in any respect by any court or other authority, then such provision shall be deemed limited to the extent that such court or other authority deems it reasonable and enforceable, and as so limited shall remain in full force and effect. In the event that such court or other authority shall deem any such provision wholly unenforceable, this shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained herein.

13.10 Regulatory Changes. In the event of any order or decree of an administrative agency or court of competent jurisdiction, including without limitation any material change or clarification in the rules, policies, or precedent of the FCC or any Commission, that would cause this Agreement to be invalid or violate any applicable law, and such order or decree has become effective and has not been stayed, the Parties will use their respective best efforts and negotiate in good faith for at least thirty (30) days to modify this Agreement so as to comply with such order or decree without material economic detriment to either party, and this Agreement, as so modified, shall then continue in full force and effect. In the event that the Parties are unable to agree upon a modification of this Agreement so as to cause it to comply with such order or decree without material economic detriment to either party, then this Agreement may be terminated at the option of Manager or the Company. In the event of the occurrence of such a change of applicable law or such an order or decree of an administrative agency or court of competent jurisdiction, as provided herein, and the Parties are not able to agree upon a revision to this Agreement, in no event shall such set of circumstances impair the transactions contemplated

by or consummated under the Purchase Agreement, it being the understanding of the Parties that Manager has assumed the full and complete risk of the occurrence of such matters.

DOCKETED

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
(EASTERN DIVISION)

_____))
In re:))
)) Chapter 11
ESSENTIAL.COM, INC.,)) Case No. 01-15339-WCH
))
Debtor.))
_____)

ORDER AUTHORIZING SALE OF CUSTOMER BASE

THIS MATTER having come before the Court on the *Emergency Motion of the Debtor Pursuant to Section 363 of the Bankruptcy Code for an Order Authorizing: (I) Private Sale of Assets Free and Clear of Liens, Claims, and Encumbrances; (II) for the Establishment of Bidding Procedures, Including Break Up Fees and Overbid Protection and (III) For Authorization to Cease Providing Services* (the "Sale Motion") and the *Motion to Amend Debtors Emergency Motion: (I) For Authority to Sell Debtor's Assets by Private Sale Free and Clear of Liens, Claim, Encumbrances and Interests; (II) For Establishment of Bidding Procedures, Including Break Up Fees and Overbid Protection; and (III) For Authorization to Cease Providing Services* (the "Amended Sale Motion") (collectively, the "Private Sale Motions"). A hearing on the Private Sale Motions was held on August 9, 2001 (the "Sales Hearing").

NOW, THEREFORE, based upon all of the evidence, including evidence proffered or adduced at the Sales Hearing, objections and representations and argument of counsel in connection with the Sales Hearing, and offers of proof on the record, and upon the entire record of the Sales Hearing and of the chapter 11 case of Essential.com, Inc. ("Debtor"), and after due deliberation thereon, and good cause appearing therefore,

106

It is hereby found, concluded, and determined that:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding of fact shall later be determined to be a conclusion of law it shall be so deemed and vice versa.

B. This Court has jurisdiction to hear and determine the Private Sale Motions pursuant to 28 U.S.C. §§ 157 and 1134.

C. Venue of this case in this district is proper pursuant to 28 U.S.C. § 1408(a) and § 1409(a).

D. Determination of the Private Sale Motions is a core proceeding under 28 U.S.C. §§ 157(b) (2)(A) and (N). The statutory predicates for the relief requested herein are §§ 105 and 363 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code"), Bankruptcy Rules 2002, and 6004, and MLBR 2002-1 and 6004-1.

E. On June 29, 2001 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of title 11, United States Code (the "Bankruptcy Code") with the Bankruptcy Court. Since the Petition Date, the Debtor has continued to operate its business and manage its affairs as a debtor and debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On July 18, 2001, the United States Trustee appointed a creditors' committee, pursuant to Section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed.

F. The Debtor provides telecommunication services to certain individuals and small businesses ("Customer Base").

G. The Debtor entered into, subject in all respects to approval of this Court, to the certain agreements (collectively, the "Agreements") for the sale of the Customer Base and certain of the Debtor's trademarks and URL, as follows:

- (i) Asset Purchase dated July 26, 2001 (the "Zone Agreement") with Zone Telecom, Inc. ("Zone"), for the purchase and sale of certain parts of the Customer Base for \$325,000;
- (ii) Asset Purchase dated July 26, 2001 (the "Broadview Agreement") with Broadview Networks, Inc. ("Broadview"), for the purchase and sale of certain parts of the Customer Base and certain of the Debtor's tradenames, and URLs for \$475,000; and
- (iii) Asset Purchase dated July 26, 2001 (the "Essex Agreement") with Essex Communications, Inc. ("Essex"), for the purchase and sale of certain parts of the Customer Base for \$125,000;

H. On August 1, 2001, this Court entered an Order ("Sales Procedure Order") with respect to the Private Sale Motions.

I. The Private Sale Motions are for a sound business purpose, are in the best interest of the Debtor's estate, and are authorized outside the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code.

J. The Debtor provided fair and reasonable notice of the Private Sale Motions and the Sales Hearing to all creditors and other parties in interest and such other notice as is appropriate under the circumstances. The Notice of the Private Sale Motions provided interested bidders with notice of the Private Sale Motions and Sales Hearing and an opportunity to bid for the Customer Base.

K. An objection to the Private Sale Motions was timely filed by the Office of the Attorney General of Commonwealth of Massachusetts ("Mass. AG Objection").

L. The Debtor received qualifying counter-offers from:

- (i) United Systems Access, Inc. ("USA") submitted a counteroffer for the entire Customer Base and the other assets ^{specified in USA's bid} ~~subject to the Broadview Agreement~~ (the "USA Entirety Bid") for \$1,100,000; and
- (ii) Eastern Telephone, Inc. ("Eastern") for a certain part of the Customer base described in the Broadview Agreement for \$535,000.

M. Based upon the foregoing, and for reasons stated on the record at the Sales Hearing, this Court has determined that the best offer to purchase the Customer Base has been submitted by:

United Systems Access, Inc. for \$1,300,000

N. Based upon the foregoing, and for reasons stated on the record at the Sales Hearing, this Court has determined that the second best offer to purchase the Customer Base has been submitted by:

ZONE for \$375,000
ESSEX for \$125,000
Broadview for \$735,000

O. The Private Sale Motions request that the Customer Base be sold free and clear of all liens, claims, interests and encumbrances whatsoever ("Liens"), known and unknown, including without limitation, those liens asserted against the Customer Base and noted in the Private Sale Motions, and any liens, claims, interests and encumbrances held by any of the

creditors of the within bankruptcy estate of the Debtor. A sale of the Customer Base other than free and clear of liens, claims and encumbrances would be of substantially less benefit to the bankruptcy estate.

P. At the Sales Hearing, the Debtor and the Official Committee of Unsecured Creditors recommended that the Court approve the sale of the Customer Base. All secured parties with liens on the Customer Base have either consented to or have received notice and not objected to the sale of the Customer Base, with such liens to attach to the proceeds of sale, or such parties could be compelled to accept monetary satisfaction of such lien.

Q. It is therefore in the best interests of the bankruptcy estate herein, that the Court enter this order (the "Sale Order") (i) pursuant to §§ 105(a) and 363 of the Bankruptcy Code, authorizing and directing the Debtor to sell the Customer Base to the successful bidders ("Successful Bidder"): USA

USA Bidder B.A.

subject to such additional terms and provisions as may be set forth in the ^{1/}Agreements including ~~adjustments to the Purchase Price.~~

R. The approval of the sale of the Customer Base to the Successful Bidders, and consummation of the transactions contemplated thereby are in the best interests of the Debtor, its creditors, and the bankruptcy estate. The Debtor has presented good and sufficient business justification for the sale of the Customer Base pursuant to § 363 of the Bankruptcy Code.

S. The parties represented to the Court that the offers to purchase the Customer Base by the Successful Bidders have been proposed by the Successful Bidders in good faith in

accordance with the standards of applicable law; that the Successful Bidders are not currently affiliated with either Debtor; and that the Successful Bidders are good faith Successful Bidders under § 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby. The Court has heard no argument or allegation to controvert those representations. No party has alleged that any party has engaged in any conduct that would cause or permit the sale to the Successful Bidders to be avoided under § 363(n) of the Bankruptcy Code.

T. The Debtor has requested that the Court make this Order effective immediately irrespective of Bankruptcy Rule 6004(g), and good cause appears for such an action.

U. The sale and transfer of the Customer Base (1) will be a legal, valid and effective transfer of Customer Base of the bankruptcy estate of the Debtor, and (2) will vest the Successful Bidders with all right, title and interest of the bankruptcy estate in and to the Customer Base free and clear of all liens, claims, encumbrances and interests thereon.

NOW THEREFORE, it is HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1. The Private Sale Motions shall be, and hereby are, granted and the Agreements incorporated therein approved as being in the best interest of the Debtor's estate.

2. The Mass. AG Objection is ~~overruled in its entirety.~~ ^{resolved with authority by a stipulation.}

3. The Debtor is authorized and directed to consummate the transactions contemplated hereby and to sell, transfer, deliver, convey and assign the Customer Base to the Successful Bidders.

~~2.3A~~ 2.3A. The Successful Bidders ~~are~~ ^{is} authorized to send any required notices to the Debtor's customers.

ON 8/30 August 2009
on or before five (5) business days or such later date as the date the business is required under the applicable Agreement

4. It is hereby further ordered that in the event that the Successful Bidders fail to tender the Purchase Price to the Debtor ~~on or before five (5) business days after the date of the entry of this Order,~~ ^{within the time period} the Debtor is hereby authorized to sell the Customer Base, without further order of the Court, to the second highest bidder:

ZONE for \$375,000
ESSAY for \$125,000
Broadview for \$735,000

5. - ~~intentionally omitted~~

6. In the event of the failure of any of the Successful Bidders to close on the Agreements, the Debtor is authorized to retain any deposits provided by such Successful Bidders as liquidated damages for such failure.

7. The Debtor is authorized to pay such break up fees, as may be applicable, pursuant to the Sale Procedure Order.

8. Effective upon the Closing, title in and to the Customer Base shall automatically vest in the Successful Bidders free and clear of all liens, including without limitation all liens, encumbrances, claims and interests, and any liabilities including, but not limited to: (a) amounts owing with respect to the Customer Base which accrued prior to the Closing, (b) those based on theories of successor liability, de facto merger or substantial continuity, and (c) employee benefit obligations (collectively, the "Liens").

9. USA is a good faith purchaser pursuant to § 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby.

10. This Order is deemed to operate as a release of all Liens on the Customer Base as of the Closing. All holders of Liens on any of the Customer Base are hereby directed to prepare, and file promptly after the Closing, if such Liens are recorded, releases of such Liens reasonably satisfactory to the Successful Bidders.

11. This Order is deemed to be in recordable form sufficient to be placed in the filing or recording system maintained by any Recording Officer.

12. The Debtor is hereby authorized to execute and deliver such closing and other confirmatory documents and to do such things as are necessary and appropriate and as are reasonably requested by the Successful Bidder to implement and effectuate the provisions of

this Order and the transactions approved hereby, *including without limitation, entering into a management services agreement whereby Bidder*

13. No bulk sales law, or similar law *of* any state or other jurisdiction shall apply in *of* any way to the transaction contemplated by this Order. *Such time as Federal and State Telecommunications Regulatory approvals have been obtained.*

14. For good cause as established by the record in this Case, and irrespective of Bankruptcy Rule 6004(g), this Order shall be effective immediately upon entry pursuant to Bankruptcy Rule 9014 and 7062. No automatic stay of execution applies with respect to this Order.

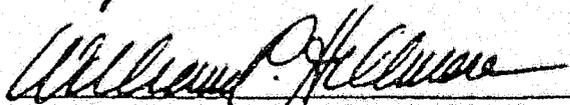
15. This Court retains jurisdiction to:
- a. Interpret, implement and enforce the terms and provisions of this Order, any subsequent amendments to, modifications of, consents relating to, or waivers thereof or any related documents, including any escrow provisions and agreements established in connection with the transactions contemplated thereby;
 - b. Protect the Successful Bidder, and the Customer Base, against any Lien;
 - c. Resolve any disputes arising under or relating to the Customer Base, the Private Sale Motions and this Order; and
 - d. Adjudicate all issues concerning (alleged) pre-Closing Liens on, and the proceeds of the sale of the Customer Base.

16. The provisions of the Private Sale Motions, together with the provisions of this Order, are binding on, and inure to the benefit of, the successors and assigns of the Debtor, its estate, creditors and shareholders, any trustee whether in chapter 11 or chapter 7 and any examiner with expanded powers, and receiver for the Debtor or assignee for the benefit of its

creditors, and are binding on and inure to the benefit of the successors and assigns of the Successful Bidder.

17. Any provision of this Order which is determined, construed or deemed to be a finding of fact or a conclusion of law, respectively, or a mixed finding of fact and conclusion of law, shall be as so determined, construed or deemed notwithstanding the labeling placed on such provision in this Order.

DATED THIS 9th DAY OF May, 2001.



HONORABLE WILLIAM C. HILLMAN
UNITED STATES BANKRUPTCY JUDGE

::ODMA\PCDOCS\DOCS311268\1

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265
March 7, 2002

IN REPLY PLEASE
REFER TO OUR FILE

In Re: C-20016636

(See letter dated 02/04/2002)

Robert and Michael C. Eyer v. Essential.Com, Inc.

Service and billing dispute.

Hearing Cancellation Notice

This is to inform you that the Initial Prehearing Telephone Conference on the above-captioned scheduled to be held on Friday, March 8, 2002 at 10:00 a.m. was canceled.

This is to further inform you that the Administrative Law Judge in the above captioned case was changed from Administrative Law Judge Wayne L. Weisman del to Chief Administrative Law Judge Robert A. Christianson.

Presiding: Chief Administrative Law Judge Robert A.
Christianson
P.O. Box 3265
Harrisburg, PA 17105-3265
Telephone: (717) 783-5452
Fax: (717) 787-0481

Please mark your records accordingly.

pc: Chief Judge Christianson
Steve Springer, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

DOCUMENT
FOLDER

DOCKETED
MAR 11 2002

OALJ Hearing Report

Please check those blocks which apply

Docket No.: C-20016636	<i>Not</i>	YES	NO
Case Name: Robert and Michael C. Eyer v. Essential.Com, Inc.	Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
	Hearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
	Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
	Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
Location: Harrisburg, Pennsylvania	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
	Estimated Add'l Days:		
Date: March 8, 2002	RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ: Robert A. Christianson, Chief	DATE:		
Reporting Firm: Commonwealth Reporting	Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
	DATE:		
	Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
	REMARKS: <i>file on mar 11</i>		

RECEIVED
 OFFICE OF OALJ
 02 MAR - 7 PM: 31
 PA PUC

*Cancel this
to be 4/10*

PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
DOCUMENT FOLDER	DOCKETED	RECEIVED 2002 MAR 12 AM 10:56 SECRETARY'S BUREAU
	City: <i>MAR 14 2002</i> State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:

Check this box if additional parties or attendees appear on back of form.

Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.



COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Public Utility Commission
PO Box 3265, Harrisburg, PA 17105-3265

March 14, 2002

IN REPLY PLEASE
REFER TO OUR FILE
C-20016636

ROBERT AND MICHAEL C EYER
140 WHITE DOGWOOD DRIVE
ETTERS PA 17319

DOCKETED
MAR 18 2002

Robert and Michael C. Eyer v. Essential.Com, Inc.

Gentleman:

We discussed this matter in advance of the formal conference scheduled for March 8, 2002. I understand that you also discussed this matter with Mr. Mattera. During our conversation, I was told that you did not want to proceed to hearing with this complaint. I canceled the formal conference.

I consider this complaint to have been withdrawn, within the contemplation of Section 5.94 of the Commission's rules of practice. Unless an objection is filed with the Commission's Secretary, within ten (10) days of the date of this letter, the case will be closed.

Very truly yours,

DOCUMENT
FOLDER

Robert A. Christianson
Chief Administrative Law Judge

RAC:gp

pc: Alex Mattera, Esquire
PUC Secretary's Bureau/Docket Section
Steve Springer, Scheduling Officer

PARTIES OF RECORD

ROBERT AND MICHAEL C. EYER V ESSENTIAL.COM, INC., DOCKET NO.C-20016636

ROBERT AND MICHAEL C. EYER
140 White Dogwood Drive
Etters, PA 17319

ALEX MATTERA, ESQUIRE
Gadsby Hannah LLP
225 Franklin Street
Boston, MA 02110

pc: CALJ Robert A. Christianson
Stephen Springer
Elizabeth Plantz
Docket Section

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

DATE: April 3, 2002
SUBJECT: C-20016636 Robert and Michael C. Eyer v. Essential.Com, Inc.
TO: Wanda Zeiders
Docket Management *SD*
FROM: Steve Springer, Scheduling Officer
Office of Administrative Law Judge *REP*

On April 3, 2002, a Certificate of Satisfaction was filed in the above-captioned proceeding by Robert A. Christianson, Chief Administrative Law Judge. If no objection is filed to this certificate within 10 days of service, this proceeding will be closed.

All parties should be notified that the case is closed and a copy of that notification placed in the document folder.

Attachment

pc: ALJ Robert A. Christianson
Elzy Ditzler
Beth Plantz
Case File

DOCUMENT
FOLDER

DOCKETED
APR 04 2002



COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Public Utility Commission
PO Box 3265, Harrisburg, PA 17105-3265

March 14, 2002

IN REPLY PLEASE
REFER TO OUR FILE
C-20016636

ROBERT AND MICHAEL C EYER
140 WHITE DOGWOOD DRIVE
ETTERS PA 17319

Robert and Michael C. Eyer v. Essential.Com, Inc.

Gentleman:

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I consider this complaint to have been withdrawn, within the contemplation of Section 5.94 of the Commission's rules of practice. Unless an objection is filed with the Commission's Secretary, within ten (10) days of the date of this letter, the case will be closed.

Very truly yours,

Robert A. Christianson
Chief Administrative Law Judge

RAC:gp

pc: Alex Mattera, Esquire
PUC Secretary's Bureau/Docket Section
Steve Springer, Scheduling Officer



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

April 25, 2002

C-20016636

ROBERT & MICHAEL C. EYER
140 WHITE DOGWOOD DRIVE
ETTERS PA 17319

DOCUMENT
FOLDER

DOCKETED
APR 25 2002

ROBERT & MICHAEL C. EYER
V.
ESSENTIAL. COM, INC.

TO WHOM IT MAY CONCERN:

Please be advised that the Commission has marked closed the above-entitled proceeding.

Very truly yours,

James J. McNulty
Secretary

nvl

cc: All parties of Record
Office of ALJ