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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re

COMM SOUTH COMPANIES, INC.,
ALTAIR COMMUNICATIONS, INC.,
E-Z TEL, INC. and
COMM SOUTH COMPANIES OF
VIRGINIA, INC.,

Debtors.

CASE NO. 03-39496-HDH-11
CASE NO. 03-39839-HDH-11
CASE NO. 03-39834-HDH-11
CASE NO. 03-39832-HDH-11

Chapter 11

(Jointly Administered Under
Case No. 03-039496)

Hearing

Date: April 25, 2005

Time: 1:30 p.m.

Place: Earl Cabell Building
1100 Commerce Street
Dallas, Texas 75242

Judge: Hon. Harlin D. Hale

DEBTORS' AMENDED PLAN OF REORGANIZATION

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INTRODUCTION

Comm South Companies, Inc. (“Comm South”); Altair Communications (“Altair”); E-Z Tel, Inc. (“E-Z Tel”); and Comm South Companies of Virginia, Inc. (“Comm South Virginia”), debtors and debtors in possession under Chapter 11 of the Code (each a “Debtor” and collectively, the “Debtors”), collectively and jointly propose the following amended plan of reorganization:

ARTICLE I

DEFINITIONS

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

ARTICLE II

RULES OF CONSTRUCTION

2.1 **Generally.** The rules of construction in the Code and in the Rules will apply unless superseded by the Plan or the Confirmation Order.

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

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

2.4 Miscellaneous. (a) Unless the context requires otherwise, the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to the Plan as a whole, (b) whenever it appears appropriate from the context, terms stated in the singular or the plural include the singular and the plural, and pronouns include the masculine, feminine and the neuter, (c) the words “include” or “including” will not be words of limitation, but will be deemed to be followed by the phrase “without limitation,” and (d) captions and headings to Articles and Sections of the Plan are inserted for reference only and are not intended to be a part of or to affect its interpretation.

ARTICLE III

BAR DATES AND METHOD OF CLASSIFYING CLAIMS AND EQUITY INTERESTS

3.1 Bar Date for Fee Claims. All final applications for the payment of Fee Claims must be filed with the Court not later than 30 days after the Effective Date (or, if that date is not a Business Day, by the next Business Day).

3.2 Bar Date for Administrative Claims. The deadline for filing claims entitled to treatment as Administrative Claims will be January 31, 2006, or such earlier date as ordered by the Court. Holders of Administrative Claims that have already filed requests for payment of administrative claims or proofs of administrative claim will not be required to file additional requests for payment or proofs of claim.

3.3 Bar Date For Pre-Petition Claims. The deadline for filing pre-petition claims was January 26, 2004, except that the bar date for claims by governmental units was March 18, 2004.

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

ARTICLE IV

CLASSIFICATION AND IMPAIRMENT OF CLAIMS AND EQUITY INTERESTS

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

4.1 Class 1 Claims (Priority Claims):

(a) Classification. All Priority Claims against Debtors.

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

4.2 Class 2 Claim (Secured Tax Claims of the Texas Comptroller of Public Accounts):

(a) Classification. The Secured Tax Claims of the Texas Comptroller of Public Accounts.

- (b) **Impairment and Voting.** The Class 2 Claim is impaired.

The holder of the Class 2 Claim is entitled to vote on the Plan.

4.3 Class 3 Claims (Other Secured Claims):

- (a) **Classification.** All Other Secured Claims.
- (b) **Impairment and Voting.** Class 3 Claims are unimpaired.

Holders of Class 3 Claims are not entitled to vote on the Plan.

4.4 Class 4 (LEC Cure Claims):

- (a) **Classification.**

- (1) Class 4A are the Cure Claims of Bell South Communications.
- (2) Class 4B are the Cure Claims of Qwest Communications.
- (3) Class 4C are the Cure Claims of SBC Communications.
- (4) Class 4D are the Cure Claims of Verizon-GTE.
- (5) Class 4E are the Cure Claims of Valor Communications.
- (6) Class 4F are the Cure Claims of TXU Communications.
- (7) Class 4G are the Cure Claims of Iowa TeleCom.
- (8) Class 4H are the Cure Claims of Citizens Communications.
- (9) Class 4I are the Cure Claims of Century Telecom.
- (10) Class 4J are the Cure Claims of Alltel.
- (11) Class 4K are the Cure Claims of Verizon East, West and North.

(12) Class 4L are the Cure Claims of Sprint Communications.

(b) **Impairment and Voting.** All Class 4 claims are impaired and entitled to vote on the Plan, and each creditor in Class 4 shall be treated as a separate class for all purposes, including voting on the Plan.

4.5 Class 5 Claims (Unsecured Claims):

(a) **Classification.** All Unsecured Claims.

(b) **Impairment and Voting.** Class 5 Claims are impaired.

Holders of Class 5 Claims are entitled to vote on the Plan.

4.6 Class 6 Equity Interests (Equity Interests):

(a) **Classification.** All equity interests in the Debtors.

(b) **Impairment and Voting.** Class 6 Equity Interests are impaired and are deemed to have rejected the Plan. As a result, they will not vote on the Plan.

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

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

ARTICLE V

ADMINISTRATIVE CLAIMS, FEE CLAIMS AND PRIORITY TAX CLAIMS

5.1 Administrative Claims. Unless it agrees to receive other, less favorable treatment, each holder of an Allowed Administrative Claim will be paid 100% of the unpaid amount of its Allowed Administrative Claim in Cash. Payment will be made either (a) in the ordinary course of Debtors' business, or (b) 10 Business Days after the date the Administrative Claim becomes an Allowed Administrative Claim, but no later than 30 days after the Effective Date. Notwithstanding the foregoing, Allowed Administrative Claims of the United States Trustee for fees under 28 U.S.C. § 1930(a)(6) will be paid in accordance with the applicable schedule for payment of those fees.

5.2 Fee Claims. Unless it agrees to receive other, less favorable treatment, each holder of an Allowed Fee Claim will be paid 100% of the unpaid Allowed Fee Claim, in Cash. Payment will be made on or as soon as reasonably practicable: (a) 10 days after the Fee Claim becomes an Allowed Claim, or (b) on an interim basis as authorized by the Court in its Administrative Order Under 11 U.S.C. §§ 105(a) and 331, Establishing Procedures for Monthly & Interim Compensation & Reimbursement of Expenses for Professionals entered on November 26, 2003.

5.3 Priority Tax Claims. Unless (a) otherwise provided for in the Plan, or (b) it agrees to receive other, less favorable treatment, each holder of an Allowed Priority Tax Claim will receive Cash, in the unpaid amount of its Allowed Priority Tax Claim, with payment being made on the later of (1) the Effective Date or (2) the date the Priority Tax Claim becomes an Allowed Priority Tax Claim; provided, however, that in no event will such Claims be paid unless and until all secured and administrative claims have been paid in full or otherwise provided for. Claims or demands for penalties

relating to a Priority Tax Claim will be disallowed. The holders of Allowed Priority Tax Claims will not assess or attempt to collect a penalty from Debtors or their respective assigns.

ARTICLE VI

TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

6.1 Priority Claims (Class 1). Unless it agrees to receive other, less favorable treatment, each holder of an Allowed Priority Claim will be paid 100% of the unpaid amount of the Allowed Priority Claim by Reorganized Debtors, in Cash. Payment will be made on or as soon as reasonably practicable after the later of (a) the Effective Date, and (b) the date the Priority Claim becomes an Allowed Priority Claim.

6.2 Secured Tax Claim of the Texas Comptroller of Public Accounts (Class 2). The holder of the Class 2 Claim will receive from Reorganized Debtors the following: An Allowed Secured Claim in the principal amount of \$544,219, in accordance with the following payment schedule:

(1) A 24-month payout (beginning on the 15th day of the month following the Confirmation Date) with a balloon payment in the 25th month as follows:

- (i) First 12 months, monthly payments of \$7,558;
- (ii) Next 12 months, monthly payments of \$11,338;
- (iii) Balloon payment in 25th month totaling \$317,467 (the "Balloon").

(2) Payment terms of the Balloon shall be negotiated by the parties during the 25th month, or earlier, based on Reorganized Debtors' financial condition at that time. The Debtors reserve the right to pay the entire balance in full on or before the Effective Date.

6.3 Other Secured Claims (Class 3). Unless it agrees to receive other, less favorable treatment, each holder of an Allowed Other Secured Claim will receive one of the following treatments as soon as reasonably practical on or before the Effective Date:

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

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

(c) Debtors will pay to the holder of a Class 3 Claim Cash in the amount of its Allowed Class 3 Claim.

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

6.4 LEC Cure Claims (Class 4): If the executory contracts of the claims in Classes 4A through 4L are assumed by the Debtors on or before the Effective Date, those claims shall be fully satisfied, discharged and released as of the Effective Date by the consensual modification and restatement of each such classes' respective interconnection and/or other executory contracts and agreements, as shall be evidenced by the execution and delivery of such modified agreements as to which the respective

parties may agree which shall include terms for repayment of all pre-petition amounts owed to each such creditor. No other distribution shall be made on account of any Allowed Class 4 claim. If the executory contracts of one of these claims is not assumed, the contract will be deemed rejected pursuant to Sections 11.1 and 11.2 of this Plan and treated as provided therein.

6.5 General Unsecured Claims (Class 5) Each holder of an Allowed Unsecured Claim will receive its Pro Rata share of the proceeds of the Debtors' operations and liquidation of its assets, including the proceeds of any Avoidance Actions, after payment of Allowed Administrative Claims, Allowed Class 1 Claims, Allowed Class 2 Claims, Allowed Class 3 Claims and Allowed Class 4 Claims. The Comm South Trust will administer the payment of Class 5 Claims. The Comm South Trust will distribute any funds to Allowed Class 5 Claims as soon as is reasonably practical after the Effective Date, based on its review and determination of the Unsecured Claims and any necessary reserve for Disputed Claims.

6.6 Equity Interests (Class 6). Holders of Class 6 Equity Interests will receive no distribution of any kind under the Plan on account of their Equity Interests. On the Effective Date, all Equity Interests in Comm South will be deemed cancelled.

6.7 Subordination Rights. Subordination rights, if any, arising out of provisions under Sections 510(a) and (b) of the Code will be enforced as to each class of Claim herein.

ARTICLE VII

CANCELLATION OF EQUITY INTERESTS AND SECURITIES

7.1 Cancellation of Equity Interests and Securities Generally.

(a) **Cancellation of Equity Interests.** All Equity Interests in each of Debtors will be deemed cancelled on the Effective Date.

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

ARTICLE VIII

IMPLEMENTATION OF THE PLAN

8.1 Post-Confirmation Operations & Comm South Trust. Until the Effective Date of the Plan, the Debtors will continue operations and will aggregate funds for disbursement to Allowed Administrative Claims, Fee Claims, Priority Tax Claims, Allowed Class 1 Claims, Allowed Class 2 Claims, Allowed Class 3 Claims and allowed Class 4 Claims. No distributions will be made outside the ordinary course of business to any Priority Tax Claim or Allowed Class 1 Claims until holders of Allowed Class 2 and Class 3 Claims have been paid in full or fully provided for.

However, if in any month following Confirmation the Debtors' monthly NET EBITDA is a negative number, Debtor's business operations shall cease and the Effective Date shall occur at the end of the month following the month in which NET EBITDA is negative.

On the Effective Date, and to the extent funds exist to pay dividends to Allowed Class 5 Claims, the Comm South Trust will be established as a separate legal entity governed by the terms of the Comm South Trust Agreement. The Comm South Trust will be responsible for disbursing funds to Allowed Class 5 Claims. The Trustee will serve as the sole trustee of the Comm South Trust. After the Comm South Trust has been completely administered and all distributions have been made to Allowed Class 5 Claims, as provided in the Plan, and all other conditions to termination of the Comm South Trust Agreement have been satisfied, the Comm South Trust will be terminated prior to the entry of the Final Decree.

8.2 Treatment of Intercompany Claims and Guarantees. On the Effective Date (a) all Intercompany Claims by and among the Debtors will be eliminated; (b) all pre-petition guarantees by one Debtor of another Debtor's obligation will be discharged, released and of no further force and effect; and (c) every Claim filed in the individual Chapter 11 Case of a Debtor will be deemed filed against the assets to be distributed to Creditors as provided in this Plan.

ARTICLE IX

PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

9.1 Prosecution of Disputed Claims. The Debtors will have responsibility for objecting to the allowance of any Claim other than Class 5 Unsecured Claims. The Debtors are empowered, but not required, to consensually resolve disputes regarding the allowance, classification or amount of any Claim other than Class 5 Unsecured Claims. Objections that are filed and prosecuted as provided in this Section will be litigated to Final Order or compromised and settled in accordance with Section 9.2.

9.2 Claims Settlement Procedures. Notwithstanding any requirement that may be imposed by Rule 9019, from and after the Effective Date, all Claims may be compromised and settled, with approval of the Court, by the Debtors pursuant to their authority under Section 9.1, or the Comm South Trust in the case of Class 5 Claims.

ARTICLE X

DISTRIBUTIONS

10.1 Distributions after Allowance. Distributions to holders of a Disputed Claim, to the extent that the Claim ultimately becomes allowed, will be made

according to the provisions of the Plan governing the Class of Claims to which the Creditor belongs.

10.2 Transmittal of Distributions and Notices.

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

(b) Holders of a Claim or Equity Interest may designate a different address for notices and distributions by notifying Debtors of that address in writing. To be effective, changes of address by a party entitled to receive distributions under the Plan will be by registered mail. Notification will be effective on receipt by Debtors.

10.3 Unclaimed Property. If a distribution remains unclaimed for a period of 30 days after it has been delivered (or attempted to be delivered) to the holder entitled to receive it under the Plan, the holder will forfeit the Unclaimed Property. Thereupon, all right, title and interest in and to the Unclaimed Property will immediately and irrevocably vest in the Debtors or, in the case of a Class 5 Claim, the Comm South Trust, for the benefit of other Creditors herein. The holder of an Allowed Claim

previously entitled to Unclaimed Property will thereafter cease to be entitled to it, and any such remaining Cash shall revert to the Debtors or, in the case of Class 5 Claims, the Comm South Trust for payment to other Creditors as provided in this Plan. Upon such reversion, the Claim of any creditor or its successor with respect to such property shall be discharged and forever barred notwithstanding any federal or state escheat or other similar laws to the contrary.

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

ARTICLE XI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.1 Assumption or Rejection of Executory Contracts and Unexpired Leases. On the Effective Date, Debtors will reject all executory contracts and unexpired leases of the Estates under Sections 365 and 1123 of the Code, unless notice of Debtors' intention to assume an executory contract is given by the Debtors' to the other party to the contract on or before the Effective Date.

11.2 Bar Date for Rejection Damages. If the rejection of an executory contract or unexpired lease under the Plan gives rise to a Claim by the non-Debtor party to the contract or lease, the Claim, to the extent that it is timely filed and is an Allowed Claim, will be classified as a Class 5 Claim. However, the Claim arising from the rejection will be forever barred and will not be enforceable against Debtors, unless a proof of the Claim is filed with the Court and served on the Debtors and the Comm South Trust within 30 days after the date the executory contract is rejected.

ARTICLE XII

ADMINISTRATIVE PROVISIONS

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

- (a) To determine the allowability, classification or priority of Claims on objection by Debtors, the Comm South Trust or any other party in interest entitled to file an objection, and to determine the validity, extent, priority and nonavoidability of consensual and nonconsensual Liens and other encumbrances;
- (b) To issue injunctions, take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Court, to issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters it refers to, and to determine all matters that may be pending before the Court in the Chapter 11 Cases with respect to any Person;
- (c) To protect the property of the Estates, including all Avoidance Claims, from claims against, or interference with, such property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning Liens, security interests or encumbrances on any property of the Estates;

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

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

(f) To determine all motions related to the rejection, assumption or assignment of executory contracts or unexpired leases, or to determine any motion to reject an executory contract or unexpired lease under Article XI;

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

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

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

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

(k) To enable Debtors to prosecute all proceedings to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to

which Debtors may be entitled under applicable provisions of the Code or any other federal, state or local laws except as may be waived pursuant to the Plan;

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

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

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

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

(p) To hear and resolve litigation matters, including the Avoidance Claims;

(q) To approve any Claims settlement entered into or offset exercised by Debtors or the Comm South Trust; and

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

12.2 Amendments to Plan.

(a) **Preconfirmation Amendment.** Debtors may modify the Plan at any time before the Confirmation Order is entered provided that the Plan, as

modified, and the Disclosure Statement pertaining to it meet applicable Code requirements.

(b) **Postconfirmation Amendment Not Requiring**

Resolicitation. After entry of the Confirmation Order, Debtors may modify the Plan to remedy any defect or omission or to reconcile any inconsistencies in it or in the Confirmation Order, as may be necessary to carry out its purposes and effects of the Plan, provided that (1) Debtors obtain approval of the Court for the modification, after notice and a hearing, and (2) the modification does not materially and adversely affect the interests, rights, treatment or distributions of any Class of Allowed Claims or Equity Interests under the Plan.

(c) **Postconfirmation/Preconsummation Amendment**

Requiring Resolicitation. After the Confirmation Date, Debtors may modify the Plan in a way that materially or adversely affects the interests, rights, treatment, or distributions of a Class of Claims or Equity Interests, provided that (1) the Plan, as modified, meets applicable Code requirements, (2) Court approval is obtained for the modification, after notice and a hearing, and (3) Debtors and/or the Comm South Trust, as applicable, comply with Section 1125 of the Code with respect to the Plan as modified.

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

12.4 Corporate Action. Any matters provided for under the Plan involving the corporate or entity structure of any Debtor or corporate action, as the case

may be, to be taken by or required of any Debtor will be deemed to have occurred and be effective as provided in the Plan and will be authorized and approved in all respects, without any requirement of further action by stockholders or directors of Debtors, as the case may be.

12.5 Effectuating Documents and Further Transactions. Each Debtor will be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements and take such other actions as may be necessary to effectuate and further evidence the terms of the Plan.

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

12.7 Exculpation of Certain Persons. As of the Effective Date, the Plan will be deemed to satisfy, waive and release in full any and all Persons who have held or may hold claims, any Equity Interest holder or Debtors against the Responsible Individual, Debtors, and each of their present employees, officers, directors, agents, advisors, attorneys or accountants, from any Claim arising out of or in connection with any act or failure to act in connection with their rights and duties arising under or related to the Chapter 11 Cases from the Petition Date to and including the Effective Date, except any (a) unknown claims, and (b) claims expressly created or preserved under the terms of the Plan or any documents executed, or to be executed, in connection with the Plan. Except as expressly provided in the Plan or any document executed or to be executed in connection with the Plan, neither Debtors, the Responsible Individual, nor any of their respective present employees, officers, directors, agents, advisors, attorneys or accountants, will have any liability to Debtors, the Responsible Individual, Buyer, nor

any of their respective employees, officers, directors, agents, advisors, attorneys or accountants for actions taken or omitted to be taken under or in connection with the Plan or the Chapter 11 Cases from the Petition Date to and including the Effective Date.

12.8 Injunction. On entry of the Confirmation Order, and except as otherwise expressly provided in the Plan or in connection with its enforcement, all Persons who have held, hold or may hold Claims against Debtors that arose before the Effective Date are permanently enjoined from (a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against Debtors or any property of Debtors with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means, directly or indirectly, of any judgment, award, decree, or order against Debtors or any property of Debtors with respect to any such Claim, (c) creating, perfecting or enforcing, directly or indirectly, any Lien or encumbrance of any kind against Debtors or any property of Debtors, Reorganized Debtors or Buyer, with respect to any such Claim, and (d) asserting, directly or indirectly, any setoff, or right of subrogation of any kind against any obligation due Debtors or any property of Debtors with respect to any such Claim.

Nothing contained in this Section 12.8 will prohibit the holder of a timely-filed proof of Claim from litigating its right to seek to have that Claim declared an Allowed Claim and paid in accordance with the distribution provisions of the Plan, or enjoin or prohibit the interpretation or enforcement by the claimant of any of the obligations of Debtors and Reorganized Debtors under the Plan.

12.9 Blank Ballots. Any ballot that is executed by a Creditor entitled to vote to accept or reject the Plan, but which indicates neither acceptance nor rejection, will

be deemed an acceptance of the Plan. Any ballot that does not comply with the filing instructions on the ballot will not be counted for voting purposes.

Dated: March 21, 2005

COMM SOUTH COMPANIES, INC.

By: /s/ John S. McClure
John E. McClure

Dated: March 21, 2005

ALTAIR COMMUNICATIONS

By: /s/ John S. McClure
John E. McClure

Dated: March 21, 2005

COMM SOUTH COMPANIES OF VIRGINIA, INC.

By: /s/ John S. McClure
John E. McClure

Dated: March 21, 2005

E-Z TEL, INC.

By: /s/ John S. McClure
John E. McClure

Dated: March 21, 2005

By: /s/ Craig Stuppi
Craig Stuppi

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