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March 18, 2005

The Honorable Steven A. Felsenthal
Chief Judge, United States Bankruptcy Court
1100 Commerce Street
Dallas, Texas 75242

Re: *In re VarTec Telecom, Inc., et al.*; Case No. 04-81694-SAF-11
Agenda Letter for Hearing Scheduled for March 21, 2005 at 10:30 a.m.

Dear Judge Felsenthal:

The purpose of this correspondence is to advise you of the status and proposed disposition of the following, set for hearing on the Court's docket for March 21, 2005 at 10:30 a.m.:

CONTESTED MATTER:

Motion for Approval of the Sale of Real and Personal Property in Addison, Texas (Addison I and Addison II Properties), Free and Clear of Liens, Interests, Encumbrances, and Texas, and Waiving the Automatic Stay Imposed Under Federal Rule of Bankruptcy Procedure 6004(g) [Docket No. 976]

Limited Objection to the Debtors' Motion for Approval of the Sale of Real and Personal Property in Addison, Texas (Addison I and Addison II Properties), Free and Clear of Liens, Interests, Encumbrances, and Texas, and Waiving the Automatic Stay Imposed Under Federal Rule of Bankruptcy Procedure 6004(g), filed by the Official Committee of Unsecured Creditors [Docket No. 1070]

Limited Objection of Nortel Networks Inc. to Debtors' Motion for Approval of the Sale of Real and Personal Property in Addison, Texas (Addison I and Addison II Properties), Free and Clear of Liens, Interests, Encumbrances, and Texas, and Waiving the Automatic Stay Imposed Under Federal Rule of Bankruptcy Procedure 6004(g) [Docket No. 1071]

STATUS: The auction contemplated by the Sale Motion and per the Bid Procedures Order has occurred. This matter will be going forward as scheduled.

Thank you.

Sincerely,

/s/ *Daniel C. Stewart*

cc: Master Service List

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