

July 26, 2005

The Honorable Harlan D. Hale
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 July 27, 2005 at 9:00 a.m.

Dear Judge Hale:

The purpose of this correspondence is to advise you of the status and proposed disposition of the following matters set for hearing on the Court's docket for July 27, 2005 at 9:00 a.m.:

UNCONTESTED MATTERS

NONE

CONTESTED MATTERS

1. Motion to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests and Encumbrances and for Related Relief (Sale of Substantially All of the Debtors' Remaining Assets) filed by the Debtors [Docket No. 1399]

DeSoto ISD, Richardson ISD, and Spring Branch ISD's Objection to Motion For Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances, and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1423]

City of Irving's Notice of Enforcement of Lien Claim and Prohibition of Use of Cash Collateral [Docket No. 1491]

Objection filed by Kent Amberson [Docket No. 1549]

Limited Objection of 770 "L" Street to Debtors' Sale Motion [Docket No. 1544]

Objection of TDS Communications Corporation to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets); and Motion to Compel Assumption of Executory Contracts [Docket No. 1550]

DeSoto ISD, Richardson ISD, and Spring Branch ISD's First Amended Objection to Motion For Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances, and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1557]

Official Committee of Unsecured Creditors' Qualified Objection to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1558]

Response of the SBC Telcos, Verizon, MCI, Qwest, BellSouth, and Time Warner Telecom to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1560]

Objection of CenturyTel to Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1566]

Broadwing Communications, LLC's Objection to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1572]

King County's Conditional Objection to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief [Docket No. 1582]

Response filed by Miami-Dade County Tax Collector's Response to Expedited Motion for Order (a) Approving Sale Procedures and Bid

Protections in Connection With Sale of Certain Assets; (b) Scheduling an Auction and Hearing to Consider Approval of the Sale; (c) Approving Notice Relating to Sale; and (d) Granting Related Relief Sale of Substantially All of the Debtors' Remaining Assets [Docket No. 1585]

Objection to Debtors' Motion for Authority to Sell Assets Free and Clear of Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) filed by Kerrville Telephone and Valor Telecommunications of Texas, LP [Docket No. 1586]

Objection of Nortel Networks, Inc. to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1587]

Debtors' Reply to Response of the SBC Telcos to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Etc. filed by Special Counsel to the Debtors [Docket No. 1620]

Omnibus Response to Objections (Other than by SBC Telcos) to Debtors' Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) filed by the Debtors [Docket No. ____]

OBJECTION DEADLINE: July 20, 2005

STATUS: This matter will be going forward as scheduled.

2. Motion to Compel the Debtors to Assume or Reject Executory Contracts filed by BellSouth Telecommunications, Inc. [Docket No. 1452]

Motion to Shorten Time For the Debtors to Assume or Reject the SBC Telcos' Executory Contracts filed by the SBC Telcos [Docket No. 1454]

Motion to Compel Assumption or Rejection of Executory Contracts filed by Verizon Operating Telephone Companies [Docket No. 1456]

Motion for Order Compelling Immediate Assumption or Rejection of Executory Contracts filed by Qwest Communications Corporation and Qwest Corporation [Docket No. 1459]

Motion to Compel Assumption or Rejection of Executory Contracts and Joinder in Motions filed by Qwest and BellSouth, filed by Valor Telecommunications of Texas, LP and Kerrville Telecommunications [Docket No. 1510]

Omnibus Objection to Carriers' Motions (Other Than By SBC Telcos) to Compel Assumption or Rejection of Executory Contracts filed by Debtors [Docket No. 1606]

Debtors' Response and Objection to the Motion to Shorten Time Period for the Debtors to Assume or Reject the SBC Telcos Executory Contracts filed by Special Counsel to the Debtors [Docket No. 1607]

OBJECTION DEADLINE: July 25, 2005

STATUS: This matter will be going forward as scheduled.

Sincerely,

/s/ Daniel C. Stewart

Daniel C. Stewart

cc: Master Service List

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