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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
(DALLAS DIVISION)

In re:) Chapter 11
)
VARTEC TELECOM, INC., et al.,) Case No. 04-81694-saf11
)
Debtors.) Jointly Administered
)

**STATEMENT OF TREASURER FOR THE COUNTY OF GRAND, STATE OF
COLORADO, REGARDING 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)**

The Treasurer for the County of Grand, State of Colorado (the "Treasurer")
hereby states its position with regard to the *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' Assets)* (the "Motion") filed by the abovereferenced
debtors in possession (the "Debtors"). In support thereof, Treasurer respectfully
represents as follows:

INTRODUCTION

1. Pursuant to Colorado Revised Statutes (C.R.S.) §§ 39-4-101 *et seq.*, 40-4-110, 40-6-118, 40-7-101 *et seq.*, the State of Colorado's regulation of telecommunications renders Debtors, telecommunications entities operating in the State of Colorado, subject to Colorado Public Utilities Commission property value assessments and local government taxation for all tangible and intangible property owned by Debtors physically located and/or operating in the airspace of a local government's jurisdiction.

2. Debtors' transmission lines and services run through the County of Grand, State of Colorado, and as such Debtors' tangible and intangible property falls within the taxation purview of the Grand County Treasurer, Christina Whitmer, as such taxable property is reflected on Grand County Property Schedule U203596 and described in the Treasurer's Proof of Claim.

STATEMENT OF INTEREST

3. Treasurer has provided a Statement of Taxes Due for the unpaid 2004 taxes owed by Debtors in Treasurer's Proof of Claim, filed June 28, 2005 in accordance with N.D. TX L.B.R. 3002.1.

4. Treasurer does not object to the relief requested in the Motion, so long as Treasurer's interest, as described in the Proof of Claim, is recognized as an interest associated with any permit issued by any Colorado state or local government office authorizing Debtors or any successor/purchaser/assignee to operate telecommunication lines and/or equipment within the State of Colorado, as the term "Permits" is described in Section 2.1 (f) of the Purchase Agreement.

5. Treasurer does not object to the relief requested in the Motion, so long as Treasurer's interest, as described in the Proof of Claim, retains its secured-priority status under 11 U.S.C. 507 (a)(8) and § 39-1-107, C.R.S. (2004).

6. Treasurer does not object to the relief requested in the Motion, so long as Treasurer's interest, as described in the Proof of Claim, attaches to the Proceeds of the sale/transfer of the Acquired Assets and Permits, as requested in Par. 12 of the Motion.

7. Treasurer objects to the relief requested in the Motion, to the extent that the Treasurer's interest, as described in the Proof of Claim, loses its secured-priority status in any manner or is deemed dischargeable by the sale/transfer of the Acquired Assets and Permits under Sections 2.3 (b)(iv)-(v), 2.12, and/or 3.6 of the Purchase Agreement.

Dated: July 19, 2005

Respectfully submitted,

Grand County Attorney's Office
308 Byers Ave., Box 264
Hot Sulphur Springs, Colorado 80451
Tel: (970) 725-3315
Fax: (970) 725-3303

By: /s/ Cyril R. Vidergar
Anthony J. DiCola, Colo. #5598
Cyril R. Vidergar, Colo. #35320

ATTORNEYS FOR THE CREDITOR,
TREASURER FOR THE COUNTY OF
GRAND, STATE OF COLORADO

CERTIFICATE OF MAILING/HAND DELIVERY

I hereby certify that I delivered a true and correct copy of the foregoing **STATEMENT OF TREASURER FOR THE COUNTY OF GRAND, STATE OF COLORADO**, by postage prepaid, U.S. Mail or personal delivery, this 19 day of July, 2005, to the following:

Debtor

VarTec Telecom, Inc.
Excel Telecommunications TX844
Property Tax Department
1600 Viceroy Dr.
Dallas, TX 75235-2306
(first class mail)

Debtor Attorney

Richard H. London
Vinson & Elkins LLP
370 Trammell Crow Center
Dallas, TX 75201-2975

Trustee

Office of the US Trustee
1100 Commerce, Rm. 976
Dallas, TX 75242-1496

Grand County Treasurer
P.O. Box 264
Hot Sulphur Springs, CO 80451
(hand delivered)

/s/ Cyril R. Videgar_____