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August 4, 2005

VIA FACSIMILE (214) 999-7823

Richard H. London
Vinson & Elkins LLP
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201

Re: *In re: VarTec Telecom, Inc. et.al.*; Case no. 04-81694

Dear Richard:

I am writing to set forth the terms of the agreement reached (subject, of course, to Bankruptcy Court approval) by VarTec Telecom, Inc. ("VarTec") and Lepercq Corporate Income Fund, L.P. ("Lepercq") regarding the disagreements between Lepercq and VarTec over the purchase of property from VarTec by Lepercq as approved in the Bankruptcy Court's December 17, 2004 order (the "Sale Order").

VarTec and Lepercq agree as follows:

- VarTec will file and prosecute a motion seeking approval of the agreement set forth herein within three (3) business days after the signing of this agreement. This agreement is dependent upon Bankruptcy Court approval. If no such approval is obtained, then this agreement shall be null and void *ab initio*.
- By no later than August 15, 2005, Lepercq will provide, for pick-up at the Building by VarTec, two (2) golf carts located at the Building (the "Carts"), which Carts shall be in substantially the same condition as when VarTec left them at the Building.
- By no later than five (5) business days after the date of the entry of an order approving this agreement, VarTec will return to Lepercq the two Cisco 6500 switches (the "Switches") removed by VarTec from VarTec's former headquarters building located at 1600 Viceroy Drive, Dallas, Texas 75235-2306 (the "Building"). VarTec shall not be required to install the Switches in the Building.
- VarTec agrees not to dispose of or damage the Carts during the fifteen business day period following the entry of the order approving this agreement during which Lepercq is entitled to test the Switches, except that VarTec and Lepercq agree that VarTec shall be

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authorized to sell the Carts at an auction currently scheduled for August 30, 2005 (the "Auction").

- If Lepercq reasonably determines that the Switches (i) are not the same Switches removed from the Building; (ii) are not in substantially the same condition as when VarTec removed them from the Building; and (iii) are not capable of operating in substantially the same capacity as when VarTec removed them from the Building (collectively, the "Criteria"), this agreement becomes null and void (except with respect to the terms set forth in the subsequent paragraph), with neither party waiving any claims or defenses it may have regarding same. Lepercq shall make such determination within fifteen (15) business days after the entry of the order approving this agreement.
- If Lepercq reasonably determines that the Switches do not satisfy the Criteria, Lepercq shall return the Switches to VarTec within two (2) business days after such determination is made, and VarTec shall (i) if the Carts have not been sold at the Auction, VarTec shall return the Carts to Lepercq within two (2) business days after Lepercq informs VarTec of such determination by written notice; and (ii) if the Carts have been sold at the Auction, VarTec shall pay the net proceeds from the sale of the Carts within two (2) business days after Lepercq informs VarTec of such determination by written notice.¹
- Nothing in this agreement has any effect on the claims asserted in the proof of claim filed by Lepercq in VarTec's bankruptcy case.

If you believe that this letter accurately describes the agreement reached by VarTec and Lepercq, please sign it (or cause a representative of the Debtor to sign it) and return it to me. If you believe that this letter does not accurately describe our agreement, please contact me immediately so that we may discuss any issues you may have regarding the contents of this letter.

Very truly yours,



Doug Skierski

AGREED THIS 10th DAY OF AUGUST, 2005



VarTec Telecom, Inc., by Michael G. Hoffman
Its President + CEO

¹ As used herein, "net proceeds" means the proceeds of the sale of the Carts, less only the auctioneer's percentage commission for selling the Carts.