

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 DALLAS DIVISION

In re:)	Case No. 04-81694-SAF-11
)	
VARTEK TELECOM, INC., <i>et al.</i> ,)	Chapter 11
)	
Debtors.)	
_____)	
In re:)	Case No. 04-81698-SAF-11
)	
EXCEL TELECOMMUNICATIONS, INC.)	Chapter 11
)	
Debtor.)	
_____)	
In re:)	Case No. 04-81706-SAF-11
)	
VARTEK SOLUTIONS, INC.)	Chapter 11
dba EMERITUS COMMUNICATIONS, INC.,)	
)	
Debtor.)	(Jointly Administered)
_____)	

**TELLER COUNTY TREASURER'S RESPONSE TO DEBTORS' FIRST OMNIBUS
 OBJECTION TO CLAIMS UNDER 11 U.S.C. §§ 102(1), 105(a), 501(b), AND 502(b)
 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 3007**

Teller County Treasurer, a secured creditor and party in interest in the above referenced proceedings, hereby responds to the Debtors' First Omnibus Objections to Claims under 11 U.S.C. §§ 102(1), 105(a), 501(a), and 502(b) and Federal Rule of Bankruptcy Procedure ("Objection") with respect to Teller County Treasurer's Proof of Claim (\$894.92) filed on May 2, 2005 in Case No. 04-81698 and Proof of Claim (\$1,919.44) filed on May 2, 2005 in Case No. 04-81706 identified in Exhibit E: Insufficiently Documented Proofs of Claim of the Objection as follows:

PROOF OF CLAIM IN CASE NO. 04-81698 (\$894.92)

1. Teller County Treasurer is a secured creditor in Case No. 04-81698 and the holder of a claim against the Debtor Excel Telecommunications, Inc. in the amount of \$894.92, which reflects Teller County's apportioned share of the unpaid outstanding 2004 property taxes due and payable in

2005 with respect to the value of Debtor's operating property and plant as valued and assessed by the Colorado State Division of Property Taxation in accordance with C.R.S. § 39-4-101, et seq.

2. Under C.R.S. § 39-1-107(2), Teller County Treasurer's property tax claims are secured by first priority liens on the Debtor Excel Telecommunications, Inc.'s real and personal property located in Teller County, Colorado.

3. Teller County Treasurer's Proof of Claim filed on May 2, 2005 (identified as "Claim # 3203" on Exhibit E of the Objection though the reference to Case # 04-81706 is incorrect), a copy of which is attached hereto as Exhibit "A," should not be expunged and the claim asserted therein should not be disallowed in that the claim is a valid property tax obligation of the Debtor Excel Telecommunications, Inc. based on the total assessed value of Debtor's property in 2004 apportioned to Teller County under C.R.S. § 39-4-101, et seq., as reflected by the following upon which Teller County Treasurer will rely in opposing the Objection and intends to introduce as evidence:

a. State of Colorado Division of Property Taxation Final Notice of Valuation and County Apportionment of Assessed Value dated August 1, 2004 for Excel Telecommunications, Inc. (File No. TX844), a copy of which is attached hereto as Exhibit "B"

b. Teller County Treasurer State Assessed 2004 Tax Statement for Excel Telecommunications, Inc. (Account: C0000592), a copy of which is attached hereto as Exhibit "C"

Claimant would note that the "Assessed" figure of "\$65,700" which appears on the Teller County Treasurer Statement of Taxes Due attached to the Proof of Claim (Exhibit "A") was the result of a computer error that did not affect the calculation of the amount of taxes due.

4. Teller County Treasurer Connie Joiner, Post Office Box 367, Cripple Creek, Colorado 80813, (719) 686-8040, is the person possessing ultimate authority to reconcile, settle, or otherwise resolve matters related to Teller County Treasurer's Proof of Claim in Case No. 04-81698.

PROOF OF CLAIM IN CASE NO. 04-81706 (\$1,919.44)

5. Teller County Treasurer is a secured creditor in Case No. 04-81706 and the holder of a claim against the Debtor VarTek Solutions, Inc. dba eMeritus Communications, Inc. in the amount of \$1,919.44, which reflects Teller County's apportioned share of the unpaid outstanding 2004 property taxes due and payable in 2005 with respect to the value of Debtor's operating property and plant as valued and assessed by the Colorado State Division of Property Taxation in accordance with C.R.S. § 39-4-101, et seq.

6. Under C.R.S. § 39-1-107(2), Teller County Treasurer's property tax claims are secured by first priority liens on the Debtor VarTek Solutions, Inc. dba eMeritus Communications, Inc.'s real and personal property located in Teller County, Colorado.

7. Teller County Treasurer's Proof of Claim filed on May 2, 2005 (identified as "Claim # 3200" on Exhibit E of the Objection though the reference to Case # 04-81698 is incorrect), a copy of which is attached hereto as Exhibit "D," should not be expunged and the claim asserted therein should not be disallowed in that the claim is a valid property tax obligation of the Debtor VarTek Solutions, Inc. dba eMeritus Communications, Inc. based on the total assessed value of Debtor's property in 2004 apportioned to Teller County under C.R.S. § 39-4-101, et seq., as reflected by the following upon which Teller County Treasurer will rely in opposing the Objection and intends to introduce as evidence:

- a. State of Colorado Division of Property Taxation Final Notice of Valuation and County Apportionment of Assessed Value dated August 1, 2004 for eMeritus Communications, Inc. (File No. TX444), a copy of which is attached hereto as Exhibit "E"
- b. Teller County Treasurer State Assessed 2004 Tax Statement for eMeritus Communications, Inc. (Account: C0000590), a copy of which is attached hereto as Exhibit "F"

Claimant would note that the "Assessed" figure of "\$132,940" which appears on the Teller County Treasurer Statement of Taxes Due attached to the Proof of Claim (Exhibit "D") was the result of a computer error that did not affect the calculation of the amount of taxes due.

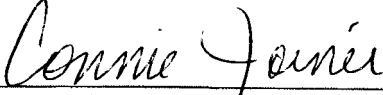
8. Teller County Treasurer Connie Joiner, Post Office Box 367, Cripple Creek, Colorado 80813, (719) 686-8040, is the person possessing ultimate authority to reconcile, settle, or otherwise resolve matters related to Teller County Treasurer's Proof of Claim in Case No. 04-81706.

WHEREFORE, Secured Creditor Teller County Treasurer respectfully requests that Debtors' First Omnibus Objection under 11 U.S.C. §§ 102(1), 105(a), 501(a), and 502(b) and Federal Rule of Bankruptcy Procedure be denied as to Teller County Treasurer's Proof of Claim in Case No. 04-81698 and Proof of Claim in Case No. 04-81706.

DATED this 11th day of August, 2005.

Respectfully submitted,

TELLER COUNTY TREASURER



Connie Joiner, Teller County Treasurer
Post Office Box 367
Cripple Creek, CO 80813
(719) 686-8040

CHRISTOPHER M. BRANDT,
TELLER COUNTY ATTORNEY
Sparks Willson Borges Brandt
& Johnson, P.C.
24 South Weber Street, Suite 400
Colorado Springs, CO 80903
Telephone: (719) 634-5700
Facsimile: (719) 633-8477

CERTIFICATE OF SERVICE

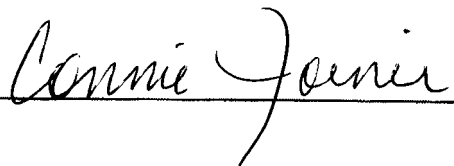
I hereby certify that on this 10th day of August, 2005, I mailed a true and correct copy of the foregoing Teller County Treasurer's Response to Debtors' First Omnibus Objection to Claims under 11 U.S.C. §§ 102(1), 105(a), 501(a), and 502(b) and Federal Rule of Bankruptcy Procedure by placing same in the United States Mail, Express Mail, postage prepaid, addressed to the following:

Vinson & Elkins L.L.P.
Attention: Daniel C. Stewart and Abigail B. Willie
2001 Ross Avenue
Suite 3700
Dallas, Texas 75201

Fulbright & Jaworski L.L.P.
Attention: Toby L. Gerber
2200 Ross Avenue
Suite 2800
Dallas, Texas 75201

Carrington, Coleman, Sloman & Blumenthal, L.L.P.
Attention: Stephen A. Goodwin
200 Crescent Court
Suite 1500
Dallas, Texas 75201

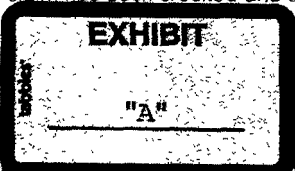
The Office of the U.S. Trustee
Attention: George F. McElreath
U.S. Courthouse
1100 Commerce Street
Room 9-C-60
Dallas, Texas 75242



RECEIVED

COPY

United States Bankruptcy Court Northern District of Texas JUL 21 2005		PROOF OF CLAIM
Name of Debtor Excel Telecommunications, Inc.		Case Number SPARKO WILLSON
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (The person or other entity to whom the debtor owes money or property) Teller County Treasurer		NORTHERN DISTRICT OF TEXAS <div style="border: 2px solid black; padding: 5px; display: inline-block;"> FILED MAY 2 2005 TAWANA C. MARSHALL, CLERK </div>
Name and address where notices should be sent: Teller County Treasurer PO Box 367 Cripple Creek CO 80813		
Telephone number:		By _____
Account or other number by which creditor identifies debtor C0000592		Check here <input type="checkbox"/> replaces if this claim <input type="checkbox"/> amends a previously filed claim, dated: _____
1. Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input checked="" type="checkbox"/> Taxes <input type="checkbox"/> Other _____		<input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Last four digits of SS#: _____ Unpaid compensation for services performed from _____ to _____ (date) (date)
2. Date debt was incurred: January 1, 2004		3. If court judgment, date obtained:
4. Total Amount of Claim at Time Case Filed: \$ _____ (unsecured) 894.92 (secured) 894.92 (priority) (Total)		
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 7 below. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
5. Secured Claim. <input checked="" type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff). Brief Description of Collateral: <input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral \$ _____ Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____		7. Unsecured Priority Claim. <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,925)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4) <input type="checkbox"/> Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6). <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8) <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)() _____ *Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
6. Unsecured Nonpriority Claim \$ _____ <input type="checkbox"/> Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority		
7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.		This Space Is for Court Use Only
8. Supporting Documents: Attach copies of sales contracts, promissory notes, purchase orders, invoices, itemized statements, court judgments, mortgages, security agreements, and other documents. DO NOT SEND ORIGINAL DOCUMENTS. If you have voluminous documents, explain. If the documents are voluminous, attach a summary.		
9. Date-Stamped Copy: To receive an acknowledgment of this proof of claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		
Date 4-29-05	Sign and print the name and title, if any, of the creditor or authorized representative of the creditor (attach copy of power of attorney, if any) <i>Connie Joiner</i> Connie Joiner/Teller County Treasurer	



TELLER COUNTY TREASURER
STATEMENT OF TAXES DUE

SCHEDULE NO. C0000592
 ASSESSED TO:
 EXCEL TELECOMMUNICATIONS INC
 PROPERTY TAX DEPT
 1600 VICEROY DR
 DALLAS, TX 75235

LEGAL DESCRIPTION:						
PARCEL:	SITUS ADD:					
ASMT YEAR	CHARGE	TAX AMOUNT	INTEREST	FEEs	PAID	TOTAL DUE
2004	TAX	894.92	0.00	0.00	0.00	894.92
TOTAL TAXES						894.92
GRAND TOTAL DUE GOOD THROUGH 04/28/2005						894.92

ORIGINAL TAX BILLING FOR 2004 TAX DISTRICT 9999 -

Authority	Mill Lev	Amount	Values	Actual	Assessed
TAXES FOR 2004	0.000	894.92	LAND	0	0
			IMPS	0	0
			TOTAL	0	65,700

ALL TAX LIEN SALE AMOUNTS ARE SUBJECT TO CHANGE DUE TO ENDORSEMENT OF CURRENT TAXES BY THE LIENHOLDER OR TO ADVERTISING AND DISTRAINT WARRANT FEES. CHANGES MAY OCCUR AND THE TREASURER'S OFFICE WILL NEED TO BE CONTACTED PRIOR TO REMITTANCE AFTER THE FOLLOWING DATES: PERSONAL PROPERTY AND MOBILE HOMES - SEPTEMBER 1, REAL PROPERTY - OCTOBER 1. TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.

P O BOX 367
 101 W BENNETT
 CRIPPLE CREEK, CO 80813
 (719) 689-2985

STATE OF COLORADO
 DIVISION OF PROPERTY TAXATION
 FINAL NOTICE OF VALUATION AND
 COUNTY APPORTIONMENT OF ASSESSED VALUE
 AUGUST 1, 2004

Company Name: Excel Telecommunications, Inc.
 File Number: TX844

County Name	Total Assessed Value	Total Actual Value	5.5% Limit Assessed Value	Tabor Growth Actual Value	County Name
ADAMS	\$ 54,400	\$ 187,600	\$ -	\$ -	ADAMS
ALAMOSA	\$ 1,700	\$ 5,900	\$ -	\$ -	ALAMOSA
ARAPAHOE	\$ 96,400	\$ 332,400	\$ -	\$ -	ARAPAHOE
ARCHULETA	\$ 4,000	\$ 13,800	\$ -	\$ -	ARCHULETA
BACA	\$ 1,000	\$ 3,400	\$ -	\$ -	BACA
BENT	\$ 1,300	\$ 4,500	\$ -	\$ -	BENT
BOULDER	\$ 114,500	\$ 394,800	\$ -	\$ -	BOULDER
BROOMFIELD	\$ -	\$ -	\$ -	\$ -	BROOMFIELD
CHAFFEE	\$ 10,900	\$ 37,600	\$ -	\$ -	CHAFFEE
CHEYENNE	\$ 200	\$ 700	\$ -	\$ -	CHEYENNE
CLEAR CREEK	\$ 4,000	\$ 13,800	\$ -	\$ -	CLEAR CREEK
CONEJOS	\$ 1,400	\$ 4,800	\$ -	\$ -	CONEJOS
COSTILLA	\$ 500	\$ 1,700	\$ -	\$ -	COSTILLA
CROWLEY	\$ 300	\$ 1,000	\$ -	\$ -	CROWLEY
CUSTER	\$ 600	\$ 2,100	\$ -	\$ -	CUSTER
DELTA	\$ 8,800	\$ 30,300	\$ -	\$ -	DELTA
DENVER	\$ 150,400	\$ 518,600	\$ -	\$ -	DENVER
DOLORES	\$ 100	\$ 300	\$ -	\$ -	DOLORES
DOUGLAS	\$ 54,900	\$ 189,300	\$ -	\$ -	DOUGLAS
EAGLE	\$ 15,800	\$ 54,500	\$ -	\$ -	EAGLE
EL PASO	\$ 138,000	\$ 475,900	\$ -	\$ -	EL PASO
ELBERT	\$ 8,600	\$ 29,700	\$ -	\$ -	ELBERT
FREMONT	\$ 8,500	\$ 29,300	\$ -	\$ -	FREMONT
GARFIELD	\$ 13,800	\$ 47,600	\$ -	\$ -	GARFIELD
GILPIN	\$ 900	\$ 3,100	\$ -	\$ -	GILPIN
GRAND	\$ 6,100	\$ 21,000	\$ -	\$ -	GRAND
GUNNISON	\$ 8,600	\$ 29,700	\$ -	\$ -	GUNNISON
HINSDALE	\$ -	\$ -	\$ -	\$ -	HINSDALE
HUERFANO	\$ 2,400	\$ 8,300	\$ -	\$ -	HUERFANO
JACKSON	\$ 500	\$ 1,700	\$ -	\$ -	JACKSON
JEFFERSON	\$ 127,000	\$ 437,900	\$ -	\$ -	JEFFERSON
KIOWA	\$ 100	\$ 300	\$ -	\$ -	KIOWA



STATE OF COLORADO
 DIVISION OF PROPERTY TAXATION
 FINAL NOTICE OF VALUATION AND
 COUNTY APPORTIONMENT OF ASSESSED VALUE
 AUGUST 1, 2004

Company Name: Excel Telecommunications, Inc.

File Number: TX844

County Name	Total Assessed Value	Total Actual Value	5.5% Limit Assessed Value	Tabor Growth Actual Value	County Name
KIT CARSON	\$ 1,000	\$ 3,400	\$ -	\$ -	KIT CARSON
LA PLATA	\$ 20,200	\$ 69,700	\$ -	\$ -	LA PLATA
LAKE	\$ 1,600	\$ 5,500	\$ -	\$ -	LAKE
LARIMER	\$ 89,000	\$ 306,900	\$ -	\$ -	LARIMER
LAS ANIMAS	\$ 4,200	\$ 14,500	\$ -	\$ -	LAS ANIMAS
LINCOLN	\$ 1,500	\$ 5,200	\$ -	\$ -	LINCOLN
LOGAN	\$ 6,500	\$ 22,400	\$ -	\$ -	LOGAN
MESA	\$ 55,000	\$ 189,700	\$ -	\$ -	MESA
MINERAL	\$ 400	\$ 1,400	\$ -	\$ -	MINERAL
MOFFAT	\$ 6,100	\$ 21,000	\$ -	\$ -	MOFFAT
MONTEZUMA	\$ 9,300	\$ 32,100	\$ -	\$ -	MONTEZUMA
MONTROSE	\$ 12,600	\$ 43,400	\$ -	\$ -	MONTROSE
MORGAN	\$ 7,300	\$ 25,200	\$ -	\$ -	MORGAN
OTERO	\$ 2,700	\$ 9,300	\$ -	\$ -	OTERO
OURAY	\$ 2,500	\$ 8,600	\$ -	\$ -	OURAY
PARK	\$ 8,800	\$ 30,300	\$ -	\$ -	PARK
PHILLIPS	\$ 400	\$ 1,400	\$ -	\$ -	PHILLIPS
PITKIN	\$ 5,900	\$ 20,300	\$ -	\$ -	PITKIN
PROWERS	\$ 1,300	\$ 4,500	\$ -	\$ -	PROWERS
PUEBLO	\$ 22,000	\$ 75,900	\$ -	\$ -	PUEBLO
RIO BLANCO	\$ 2,700	\$ 9,300	\$ -	\$ -	RIO BLANCO
RIO GRANDE	\$ 4,700	\$ 16,200	\$ -	\$ -	RIO GRANDE
ROUTT	\$ 16,100	\$ 55,500	\$ -	\$ -	ROUTT
SAGUACHE	\$ 800	\$ 2,800	\$ -	\$ -	SAGUACHE
SAN JUAN	\$ 1,000	\$ 3,400	\$ -	\$ -	SAN JUAN
SAN MIGUEL	\$ 3,800	\$ 13,100	\$ -	\$ -	SAN MIGUEL
SEDGWICK	\$ 500	\$ 1,700	\$ -	\$ -	SEDGWICK
SUMMIT	\$ 5,900	\$ 20,300	\$ -	\$ -	SUMMIT
TELLER	\$ 14,600	\$ 50,300	\$ -	\$ -	TELLER
WASHINGTON	\$ 1,700	\$ 5,900	\$ -	\$ -	WASHINGTON
WELD	\$ 61,600	\$ 212,400	\$ -	\$ -	WELD
YUMA	\$ 2,800	\$ 9,700	\$ -	\$ -	YUMA
TOTALS	\$ 1,210,200	\$ 4,172,900	\$ -	\$ -	TOTALS
	Assessed Value	Actual Value	Assessed Value	Actual Value	
	Total	Total	5.5% Limit	TABOR Growth	

Tax Year: 2004
 Company Name: Excel Telecommunications, Inc.
 File Number: TX844

Appraiser: Bill Hyde
 CG01316574
 Reviewer: Arun P. Pande

HISTORICAL ANALYSIS

YEAR	NET OPERATING INCOME	YEAR ENDED	NET OPERATING PROPERTY	AVERAGE RETURN ON NET OPER. PROP.
1999	27,851,823	Dec-98	\$0	
2000	(216,739,150)	Dec-99	\$0	#DIV/0!
2001	7,697,360	Dec-00	\$0	N/A
2002	(27,876,121)	Dec-01	\$37,589,695	40.95%
2003	(5,539,389)	Dec-02	\$72,540	N/A
		Dec-03	\$1,436,538	N/A
Five Year Average	(\$42,921,095)		\$7,819,755	-548.88%
Three Year Average	(\$8,572,717)		\$13,032,924	-65.78%
Five Year Weighted Average	(\$34,782,388)		\$8,016,129	-433.91%
Three Year Weighted Average	(\$10,778,842)		\$7,007,398	-153.82%
Four Year Average	(\$60,614,325)		\$9,774,693	-620.11%
Four Year Weighted Average	(\$30,713,035)		\$8,114,316	-378.50%

Company Rate of Return Conclusion- Imputed Rate 13.79%
 Income From Operating Property Conclusion- Three Year Weighted Average Income \$ (10,778,842)

COST APPROACH

Total Assets Operating and Non-Operating Property NBV	\$	73,937,495
Plus: Contributions in Aid to Construction		-
Less: Non-Operating Property NBV		(54,837,483)
Operating Property Before Leases NBV		19,100,012
Plus: Leased Property NBV		-
Total Operating Property NBV	\$	19,100,012

Premium (Obsolescence) Percentage	
Appraiser's Imputed Rate of Return	13.79%
Market Return (Industry Cap Rate, see page 7)	13.79%
Difference	0.00%
Percentage (Difference/Market Return)	0.00%

Premium (Obsolescence) Percentage Times Total Operating Property		0
Cost Indicator	\$	19,100,012
Rounded	\$	19,100,000
COST INDICATOR	\$	19,100,000

Company Name: Excel Telecommunications, Inc.
 Company Number: TX844

STOCK AND DEBT APPROACH

Market Value of Parent Company Common Stock		
Market Value of Parent Company Preferred Stock		
Market Value of Parent Company Long Term Debt		
Long Term Debt less than one year	\$	-
Current Liabilities	\$	-
Other Liabilities	\$	-
Total		Not Applied

Allocation of Parent Company Operating Property to Total Property

Income Allocation	Operating	Total	Actual Allocation	Allocation Used
Gross Income	\$ -	\$ -	#DIV/0!	#DIV/0!
Net Operating Income	\$ -	\$ -	#DIV/0!	#DIV/0!
Operating Property Allocation				
	Operating	Total		
Gross PP&E	\$ -	\$ -	#DIV/0!	#DIV/0!
Net PP&E	\$ -	\$ -	#DIV/0!	#DIV/0!
	Parent Operating Property to Parent Total Property Percent (Average)			#DIV/0!
	Allocated Parent Operating Property (\$)			Not Applied

Allocation Between Parent and Reporting Company Operating Property

Income Influence	Reporting	Parent	Actual Allocation	Allocation Used
Gross Revenue	\$ 402,842,519	\$ -	#DIV/0!	#DIV/0!
Net Income	\$ (4,957,051)	\$ -	#DIV/0!	#DIV/0!
Asset Influence				
	Reporting	Parent		
Gross PP&E	\$ 19,745,643	\$ -	#DIV/0!	#DIV/0!
Net PP&E	\$ 19,100,012	\$ -	#DIV/0!	#DIV/0!
	Reporting Oper. Property to Parent Oper. Property Percent (Average)			#DIV/0!
	Allocated Reporting Company Value before Leased Property (\$)			Not Applied
	Plus NBV or NPV of Reporting Company Leased Property			\$ -
	Total Market Indicator			Not Applied
	Rounded			Not Applied
MARKET INDICATOR				\$ -

INCOME APPROACH

Income to Capitalize		Not Applied
Capitalization Rate		0
		13.79%
	Income Indicator	\$ -
	Rounded	\$ -
INCOME INDICATOR		\$ -

Company Name: Excel Telecommunications, Inc.
 Company Number: TX844

RECONCILED UNIT VALUE

Indicator	Cost	Income	Market	Total
Conclusion	\$ 19,100,000	\$ -	\$ -	
Indicator Weighting	0%	0%	0%	
Contribution to Value	\$ -	\$ -	\$ -	
SYSTEM MARKET VALUE				\$ -

ALLOCATIONS & ADJUSTMENTS TO COLORADO

ALLOCATION (from page 7)	Colorado	System	Ratio
Net Book Value	Not Applicable	Not Applicable	n/a
Customers (Resellers)	\$ 16,184	\$ 972,297	1.66%
Barrel Miles (Pipelines)	\$ -	\$ -	N/A
Track Miles (Rail Roads)	\$ -	\$ -	N/A
Gross Revenues (PF & TX)	\$ 6,500,103	\$ 402,842,519	1.61%
		Average Colorado to System Ratio	1.64%
Allocated Colorado System Market Value		(Average Ratio x System Market Value)	N/A
Additions and Deductions			
Colorado Additions (NBV)		\$ -	
Colorado Deductions (NBV)		\$ -	
Total Colorado Additions & Deductions		\$ -	
System Market Value		\$ -	
Net book value (Total Operating Property)		\$ 19,100,012	
Market to Book Ratio (System Market Value/NBV)			0.00%
Total Colorado Additions & Deductions x Market to Book Ratio			0
Colorado Current Value (determined using Gross Revenue/NOI allocation calculation)			\$ 4,256,413
2004 Equalization Factor			98%
Colorado Actual Value			\$ 4,171,285
Assessment Ratio			29%
COLORADO ASSESSED VALUE			\$1,209,700

Company Name: Excel Telecommunications, Inc.
 Company Number: TX844

APPRAISAL PREPARED BY: Bill Hyde
 License Number: CG01316574

COMPANY WORKPAPERS

TAX YEAR: 2004
 COMPANY NAME: Excel Telecommunications, Inc.
 ID NUMBER: 844
 INDUSTRY GROUP: TX

HISTORY - Reporting Company	Net Operating Income		Net Operating Property	
	1999 \$	27,851,823	December 31, 1998	
	2000 \$	(216,739,150)	December 31, 1999	
	2001 \$	7,697,360	December 31, 2000	
	2002 \$	(27,876,121)	December 31, 2001	\$ 37,589,695
	2003 \$	(5,539,389)	December 31, 2002	\$ 72,540
			December 31, 2003	\$ 1,436,538

STOCK & DEBT APPROACH - Factors	Parent	Reporting
Operating Revenues		\$ 402,842,519
Net Operating Income		\$ (5,539,989)
Total Other Income		\$ 812,127
Income Before Extraordinary Items		\$ (4,957,051)

ASSETS	Parent	Reporting	Colorado
Plant in Service		2,082,169	
Construction Work In Progress [CWIP]			
Acquisition Adjustments			
Plant Held for Future Use			
Other Property (Intangibles)		17,663,474	
Capital Leases			
Inventories or Materials and Supplies			
GROSS OPERATING PROPERTY (Gross PP&E)	\$ -	\$ 19,745,643	\$ -
(Depreciation/Amortization)		(645,631)	
NET OPERATING PROPERTY (Net PP&E)	\$ -	\$ 19,100,012	\$ -
Current Assets Less Materials and Supplies		53,165,197	
Investments and Other		1,672,286	
GROSS NON-OPERATING PROPERTY	\$ -	\$ 54,837,483	\$ -
(Depreciation and Amortization)		-	
NET NON-OPERATING PROPERTY	\$ -	\$ 54,837,483	\$ -
TOTAL NET ASSETS (NBV)	\$ -	\$ 73,937,495	\$ -

OTHER UNIT PROPERTY	Reporting	Colorado
Contributions in Aid to Construction		
PLANT LEASED FROM OTHERS NBV	\$ -	\$ -
Original Leased Property Cost		
Lease Payment		
Average Age Leased Property		
Average Remaining Life Leased Property		

Company Name: Excel Telecommunications, Inc.
 Company Number: TX844

LIABILITIES/EQUITY	Parent	Reporting
Common Stock	\$	43,478,777
Preferred Stock		
Retained Earnings		(30,678,249)
Paid-in-Capital		
Long Term Debt (> one year)		70,319,226
Long Term Debt (< one year)		
Current Liabilities		(9,187,368)
Other Liabilities		5,109
TOTAL LIABILITIES & EQUITY	\$ -	\$ 73,937,495

BALANCING THE BALANCE SHEET	Parent	Reporting
Balance Sheet in Balance	\$ -	\$ -

CAPITAL STOCK SUMMARY	Parent
Market Value Common Stock	
Market Value Preferred Stock	
Market Value Long Term Debt	

APPRAISER INPUT WORKSHEET		ALLOCATION	
Total Colorado Deductions	\$ -	<u>Net Book Value:</u>	
Total Colorado Additions	\$ -	Colorado	\$ -
Best Information Available (BIA)	\$ -	System	\$ 19,100,012
<i>BIA used for companies that fail to file.</i>		Colorado %	n/a
<u>APPRAISER WEIGHTING</u>		<u>Customers:</u>	
Cost %	0%	Colorado	16,184
Income %	0%	System	972,297
Market %	0%	Colorado %	1.66%
<u>CAPITALIZATION RATE</u>		<u>Barrel Miles:</u>	
Industry Cap Rate	13.79%	Colorado	0
		System	0
<u>IMPUTED FACTORS - IF APPLIED</u>		Colorado %	N/A
Imputed Rate of Return %	13.79%	<u>Gross Revenues</u>	
Imputed Income to Capitalize \$	\$ -	Colorado	\$ 6,500,103
		System	\$ 402,842,519
		Colorado %	1.61%

Industry	Cap Rate	
Electrics	9.05%	Company valued using NOI/Gross Revenue relationship for typical resellers based on 2003 Reseller study.
Cogeneration	11.99%	
Distribution Pipelines	9.55%	
Fluid Pipelines	9.96%	
Transmission Pipelines	11.37%	
Major Railroads	10.69%	
Short Line RR	11.68%	
CLEC Telephones	13.79%	
ILEC Telephones	12.59%	
Long Distance Telephone	13.31%	
All Telephone Resellers	13.79%	
Mobile Telephone	13.89%	
Water Companies (avg of all)	11.81%	

COUNTY APPORTIONMENT WORKSHEET
Excel Telecommunications, Inc. TX844

COUNTY	Input Customers	Percent of Property	5.5% Limit	Tabor Growth
Adams	\$ 292,093	4.5%	0.0%	0.0%
Alamosa	9,199	0.1%	0.0%	0.0%
Arapahoe	517,903	8.0%	0.0%	0.0%
Archuleta	21,373	0.3%	0.0%	0.0%
Baca	5,276	0.1%	0.0%	0.0%
Bent	7,131	0.1%	0.0%	0.0%
Boulder	614,990	9.5%	0.0%	0.0%
Broomfield	-	0.0%	0.0%	0.0%
Chaffee	58,515	0.9%	0.0%	0.0%
Cheyenne	1,140	0.0%	0.0%	0.0%
Clear Creek	21,334	0.3%	0.0%	0.0%
Conejos	7,304	0.1%	0.0%	0.0%
Costilla	2,918	0.0%	0.0%	0.0%
Crowley	1,488	0.0%	0.0%	0.0%
Custer	3,188	0.0%	0.0%	0.0%
Delta	47,075	0.7%	0.0%	0.0%
Denver	807,715	12.4%	0.0%	0.0%
Dolores	492	0.0%	0.0%	0.0%
Douglas	294,895	4.5%	0.0%	0.0%
Eagle	84,951	1.3%	0.0%	0.0%
El Paso	741,277	11.4%	0.0%	0.0%
Elbert	46,437	0.7%	0.0%	0.0%
Fremont	45,645	0.7%	0.0%	0.0%
Garfield	74,149	1.1%	0.0%	0.0%
Gilpin	4,869	0.1%	0.0%	0.0%
Grand	32,697	0.5%	0.0%	0.0%
Gunnison	45,935	0.7%	0.0%	0.0%
Hinsdale	-	0.0%	0.0%	0.0%
Huerfano	12,754	0.2%	0.0%	0.0%
Jackson	2,628	0.0%	0.0%	0.0%
Jefferson	682,511	10.5%	0.0%	0.0%
Kiowa	618	0.0%	0.0%	0.0%
Kit Carson	5,159	0.1%	0.0%	0.0%
La Plata	108,663	1.7%	0.0%	0.0%
Lake	8,522	0.1%	0.0%	0.0%
Larimer	477,900	7.4%	0.0%	0.0%
Las Animas	22,552	0.3%	0.0%	0.0%
Lincoln	7,826	0.1%	0.0%	0.0%
Logan	34,900	0.5%	0.0%	0.0%
Mesa	295,610	4.5%	0.0%	0.0%
Mineral	2,010	0.0%	0.0%	0.0%
Moffat	32,543	0.5%	0.0%	0.0%
Montezuma	49,858	0.8%	0.0%	0.0%
Montrose	67,849	1.0%	0.0%	0.0%
Morgan	39,287	0.6%	0.0%	0.0%
Otero	14,474	0.2%	0.0%	0.0%
Ouray	13,353	0.2%	0.0%	0.0%
Park	47,442	0.7%	0.0%	0.0%
Phillips	2,145	0.0%	0.0%	0.0%
Pitkin	31,789	0.5%	0.0%	0.0%
Prowers	6,744	0.1%	0.0%	0.0%
Pueblo	117,919	1.8%	0.0%	0.0%
Rio Blanco	14,242	0.2%	0.0%	0.0%
Rio Grande	25,392	0.4%	0.0%	0.0%
Routt	86,691	1.3%	0.0%	0.0%
Saguache	4,155	0.1%	0.0%	0.0%
San Juan	5,392	0.1%	0.0%	0.0%
San Miguel	20,156	0.3%	0.0%	0.0%
Sedgewick	2,841	0.0%	0.0%	0.0%
Summit	31,596	0.5%	0.0%	0.0%
Teller	78,246	1.2%	0.0%	0.0%
Washington	8,928	0.1%	0.0%	0.0%
Weld	330,859	5.1%	0.0%	0.0%
Yuma	15,093	0.2%	0.0%	0.0%
Total	\$ 6,498,636	100.0%		

Date: 01/25/05 10:31AM

Teller County Treasurer
State Assessed 2004 Tax Statement

Page: 14

Account:	Taxing Authority	Value	Mill Levy	Credit	Tax
C0000592	EXCEL TELECOMMUNICATIONS INC PROPERTY TAX DEPT 1600 VICEROY DR DALLAS TX 75235				
02110	COUNTY GENERAL FUND	14,600	12.523000		182.84
02210	ROAD & BRIDGE	14,600	1.303000		19.02
02310	SOCIAL SER	14,600	0.807000		11.78
07110	CRIPPLE CREEK/VICTOR DIST. RE-1 G/F	7,300	16.814000		121.29
07130	RE-1 BOND	7,300	2.177000		15.89
07170	RE-1 ABATE/REFUND	7,300	0.068000		0.50
07210	WOODLAND PARK SCHOOL DIST. RE-2 G/F	7,300	31.108000		227.09
07230	RE-2 BOND	7,300	8.795000		64.21
07270	RE-2 ABT. REF	7,300	0.326000		2.38
07310	SOUTHERN TELLER CTY. LIBRARY G/F	7,310	0.558000		4.08
07410	SOUTHWEST TELLER COUNTY HOSPITAL G	7,300	1.640000		11.98
07310	RAMPART REGIONAL LIBRARY G/F	7,300	4.119000		30.07
07630	RAMPART REGIONAL LIBRARY BOND	7,300	2.426000		17.71
07710	NETC FIRE DIST.	7,300	9.242000		67.46
09010	CITY OF WOODLAND PARK GF	7,300	16.249000		118.62
	TOTAL				894.92



RECEIVED

CCV

United States Bankruptcy Court Northern District of Texas **JUL 21 2005** **PROOF OF CLAIM**

Name of Debtor **VarTec Solutions, Inc dba eMeritus Communications, Inc.** Case Number **04-1208-SPARKS WILSON**

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property): **Teller County Treasurer**

Name and address where notices should be sent: **Teller County Treasurer PO Box 367 Cripple Creek CO 80813**

Telephone number: _____

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check box if you have never received any notices from the bankruptcy court in this case.

Check box if the address differs from the address on the envelope sent to you by the court.

FILED
JUL 21 2005
NORTHERN DISTRICT OF TEXAS
FALL, CLERK

This space is for Court Use Only

Account or other number by which creditor identifies debtor: **C0000590**

Check here if this claim replaces or amends a previously filed claim, dated: _____

1. Basis for Claim

Goods sold

Services performed

Money loaned

Personal injury/wrongful death

Taxes

Other _____

Retiree benefits as defined in 11 U.S.C. § 1114(a)

Wages, salaries, and compensation (Fill out below)

Last four digits of SS#: _____

Unpaid compensation for services performed from _____ to _____ (date) (date)

2. Date debt was incurred: **January 1, 2004**

3. If court judgment, date obtained: _____

4. Total Amount of Claim at Time Case Filed: \$ 1,919.44 (unsecured) 1,919.44 (secured) (priority) 1,919.44 (Total)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 7 below

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges

5. Secured Claim

Check this box if your claim is secured by collateral (including a right of setoff)

Brief Description of Collateral:

Real Estate Motor Vehicle

Other _____

Value of Collateral \$ _____

Amount of arrearage and other charges at time case filed included in secured claim, if any \$ _____

7. Unsecured Priority Claim

Check this box if you have an unsecured priority claim

Amount entitled to priority \$ _____

Specify the priority of the claim

Wages, salaries, or commissions (up to \$4,925)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier - 11 U.S.C. § 507(a)(3)

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)

Up to \$2,225* of deposits toward purchase, lease or rental of property or services for personal, family or household use - 11 U.S.C. § 507(a)(6)

Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)

Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)

Other - Specify applicable paragraph of 11 U.S.C. § 507(a)()

*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment

6. Unsecured Nonpriority Claim \$ _____

Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority

7. Credits: The amount of all payments on this claim that have been made for the purpose of making this proof of claim

8. Supporting Documents: Attach copies of supporting documents, notes, purchase orders, invoices, itemized statements, court judgments, mortgages, security agreements, etc. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are voluminous, attach a summary and explain. If the documents are voluminous, attach a summary and explain.

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

EXHIBIT

"D"

Date: **4-29-05**

Sign and print the name and title of any of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): **Connie Joiner, Teller County Treasurer**

SCHEDULE NO: C0000590
ASSESSED TO:
EMERITUS COMMUNICATIONS
PROPERTY TAX DEPT
1600 VICEROY DR
DALLAS, TX 75235

LEGAL DESCRIPTION:

PARCEL: TX444 **SITUS ADD:**

ASMT YEAR	CHARGE	TAX AMOUNT	INTEREST	FEES	PAID	TOTAL DUE
2004	TAX	1,919.44	0.00	0.00	0.00	1,919.44
	TOTAL TAXES					1,919.44

GRAND TOTAL DUE GOOD THROUGH 04/28/2005 **1,919.44**

ORIGINAL TAX BILLING FOR 2004 TAX DISTRICT 9999 -

Authority	Mill Lev	Amount	Values	Actual	Assessed
	-----	-----	LAND	0	0
TAXES FOR 2004	0.000	1,919.44	IMPS	0	0
			TOTAL	0	132,940

ALL TAX LIEN SALE AMOUNTS ARE SUBJECT TO CHANGE DUE TO ENDORSEMENT OF CURRENT TAXES BY THE LIENHOLDER OR TO ADVERTISING AND DISTRAINT WARRANT FEES. CHANGES MAY OCCUR AND THE TREASURER'S OFFICE WILL NEED TO BE CONTACTED PRIOR TO REMITTANCE AFTER THE FOLLOWING DATES: PERSONAL PROPERTY AND MOBILE HOMES - SEPTEMBER 1, REAL PROPERTY - OCTOBER 1. **TAX LIEN SALE REDEMPTION AMOUNTS MUST BE PAID BY CASH OR CASHIERS CHECK.**

**P O BOX 367
101 W BENNETT
CRIPPLE CREEK, CO 80813
(719) 689-2985**

STATE OF COLORADO
 DIVISION OF PROPERTY TAXATION
 FINAL NOTICE OF VALUATION AND
 COUNTY APPORTIONMENT OF ASSESSED VALUE
 AUGUST 1, 2004

Company Name: Emeritus Communications

File Number: TX444

County Name	Total Assessed Value	Total Actual Value	5.5% Limit Assessed Value	Tabor Growth Actual Value	County Name
ADAMS	\$ 224,000	\$ 772,400	\$ -	\$ -	ADAMS
ALAMOSA	\$ 6,300	\$ 21,700	\$ -	\$ -	ALAMOSA
ARAPAHOE	\$ 70,800	\$ 244,100	\$ -	\$ -	ARAPAHOE
ARCHULETA	\$ -	\$ -	\$ -	\$ -	ARCHULETA
BACA	\$ -	\$ -	\$ -	\$ -	BACA
BENT	\$ -	\$ -	\$ -	\$ -	BENT
BOULDER	\$ -	\$ -	\$ -	\$ -	BOULDER
BROOMFIELD	\$ 3,100	\$ 10,700	\$ -	\$ -	BROOMFIELD
CHAFFEE	\$ 35,800	\$ 123,400	\$ -	\$ -	CHAFFEE
CHEYENNE	\$ 400	\$ 1,400	\$ -	\$ -	CHEYENNE
CLEAR CREEK	\$ -	\$ -	\$ -	\$ -	CLEAR CREEK
CONEJOS	\$ -	\$ -	\$ -	\$ -	CONEJOS
COSTILLA	\$ -	\$ -	\$ -	\$ -	COSTILLA
CROWLEY	\$ -	\$ -	\$ -	\$ -	CROWLEY
CUSTER	\$ -	\$ -	\$ -	\$ -	CUSTER
DELTA	\$ 7,400	\$ 25,500	\$ -	\$ -	DELTA
DENVER	\$ 697,400	\$ 2,404,800	\$ -	\$ -	DENVER
DOLORES	\$ -	\$ -	\$ -	\$ -	DOLORES
DOUGLAS	\$ 8,200	\$ 28,300	\$ -	\$ -	DOUGLAS
EAGLE	\$ 149,700	\$ 516,200	\$ -	\$ -	EAGLE
EL PASO	\$ 106,600	\$ 367,600	\$ -	\$ -	EL PASO
ELBERT	\$ -	\$ -	\$ -	\$ -	ELBERT
FREMONT	\$ -	\$ -	\$ -	\$ -	FREMONT
GARFIELD	\$ 7,600	\$ 26,200	\$ -	\$ -	GARFIELD
GILPIN	\$ 300	\$ 1,000	\$ -	\$ -	GILPIN
GRAND	\$ 73,400	\$ 253,100	\$ -	\$ -	GRAND
GUNNISON	\$ 1,200	\$ 4,100	\$ -	\$ -	GUNNISON
HINSDALE	\$ -	\$ -	\$ -	\$ -	HINSDALE
HUERFANO	\$ -	\$ -	\$ -	\$ -	HUERFANO
JACKSON	\$ -	\$ -	\$ -	\$ -	JACKSON
JEFFERSON	\$ 33,000	\$ 113,800	\$ -	\$ -	JEFFERSON
KIOWA	\$ -	\$ -	\$ -	\$ -	KIOWA



STATE OF COLORADO
 DIVISION OF PROPERTY TAXATION
 FINAL NOTICE OF VALUATION AND
 COUNTY APPORTIONMENT OF ASSESSED VALUE
 AUGUST 1, 2004

Company Name: Emeritus Communications

File Number: TX444

County Name	Total Assessed Value	Total Actual Value	5.5% Limit Assessed Value	Tabor Growth Actual Value	County Name
KIT CARSON	\$ -	\$ -	\$ -	-	KIT CARSON
LA PLATA	\$ 65,600	\$ 226,200	\$ -	-	LA PLATA
LAKE	\$ -	\$ -	\$ -	-	LAKE
LARIMER	\$ 462,500	\$ 1,594,800	\$ -	-	LARIMER
LAS ANIMAS	\$ -	\$ -	\$ -	-	LAS ANIMAS
LINCOLN	\$ -	\$ -	\$ -	-	LINCOLN
LOGAN	\$ -	\$ -	\$ -	-	LOGAN
MESA	\$ 183,600	\$ 633,100	\$ -	-	MESA
MINERAL	\$ -	\$ -	\$ -	-	MINERAL
MOFFAT	\$ 2,800	\$ 9,700	\$ -	-	MOFFAT
MONTEZUMA	\$ 200	\$ 700	\$ -	-	MONTEZUMA
MONTROSE	\$ -	\$ -	\$ -	-	MONTROSE
MORGAN	\$ 47,700	\$ 164,500	\$ -	-	MORGAN
OTERO	\$ -	\$ -	\$ -	-	OTERO
OURAY	\$ -	\$ -	\$ -	-	OURAY
PARK	\$ -	\$ -	\$ -	-	PARK
PHILLIPS	\$ 2,800	\$ 9,700	\$ -	-	PHILLIPS
PITKIN	\$ 16,100	\$ 55,500	\$ -	-	PITKIN
PROWERS	\$ -	\$ -	\$ -	-	PROWERS
PUEBLO	\$ 115,500	\$ 398,300	\$ -	-	PUEBLO
RIO BLANCO	\$ -	\$ -	\$ -	-	RIO BLANCO
RIO GRANDE	\$ 13,500	\$ 46,600	\$ -	-	RIO GRANDE
ROUTT	\$ 2,900	\$ 10,000	\$ -	-	ROUTT
SAGUACHE	\$ -	\$ -	\$ -	-	SAGUACHE
SAN JUAN	\$ -	\$ -	\$ -	-	SAN JUAN
SAN MIGUEL	\$ -	\$ -	\$ -	-	SAN MIGUEL
SEDGWICK	\$ -	\$ -	\$ -	-	SEDGWICK
SUMMIT	\$ 438,600	\$ 1,512,400	\$ -	-	SUMMIT
TELLER	\$ 28,900	\$ 99,700	\$ -	-	TELLER
WASHINGTON	\$ -	\$ -	\$ -	-	WASHINGTON
WELD	\$ 19,800	\$ 68,300	\$ -	-	WELD
YUMA	\$ 37,200	\$ 128,300	\$ -	-	YUMA
TOTALS	\$ 2,862,900	\$ 9,872,100	\$ -	-	TOTALS
	Assessed Value	Actual Value	Assessed Value	Actual Value	
	Total	Total	5.5% Limit	TABOR Growth	

Tax Year: 2004
Company Name: Emeritus Communications
File Number: TX444

Appraiser: Bill Hyde
CG01316574
Reviewer Arun P Pande

HISTORICAL ANALYSIS

YEAR	NET OPERATING INCOME	YEAR ENDED	NET OPERATING PROPERTY	AVERAGE RETURN ON NET OPER. PROP.
1999	(177,181,101)	Dec-98	\$0	
2000	(155,418,558)	Dec-99	\$0	N/A
2001	(53,809,774)	Dec-00	\$0	N/A
2002	(17,595,608)	Dec-01	\$1,349,528	N/A
2003	(8,885,626)	Dec-02	\$1,812,102	N/A
		Dec-03	\$1,220,872	N/A
Five Year Average	(\$82,578,133)		\$876,500	-9421 35%
Three Year Average	(\$26,763,669)		\$1,460,834	-1832 08%
Five Year Weighted Average	(\$50,950,540)		\$1,160,090	-4391.95%
Three Year Weighted Average	(\$19,276,311)		\$1,439,391	-1339.20%
Four Year Average	(\$58,927,392)		\$1,095,626	-5378 42%
Four Year Weighted Average	(\$35,136,743)		\$1,301,885	-2698.91%
Company Rate of Return Conclusion-		Imputed Rate		13.79%
Income From Operating Property Conclusion-		Three Year Weighted Average Income	\$	(19,276,311)

COST APPROACH

Total Assets Operating and Non-Operating Property NBV	\$	425,335,848
Plus: Contributions in Aid to Construction		-
Less. Non-Operating Property NBV		(123,602,766)
Operating Property Before Leases NBV		301,733,082
Plus: Leased Property NBV		-
Total Operating Property NBV	\$	301,733,082
Premium (Obsolescence) Percentage		
Appraiser's Imputed Rate of Return		13.79%
Market Return (Industry Cap Rate, see page 7)		13.79%
Difference		0.00%
Percentage (Difference/Market Return)		0.00%
Premium (Obsolescence) Percentage Times Total Operating Property		0
Cost Indicator	\$	301,733,082
Rounded	\$	301,733,100
COST INDICATOR	\$	301,733,100

Company Name: Emeritus Communications
 Company Number: TX444

STOCK AND DEBT APPROACH

Market Value of Parent Company Common Stock		
Market Value of Parent Company Preferred Stock		
Market Value of Parent Company Long Term Debt		
Long Term Debt less than one year	\$	-
Current Liabilities	\$	-
Other Liabilities	\$	-
Total		Not Applied

Allocation of Parent Company Operating Property to Total Property

Income Allocation	Operating	Total	Actual Allocation	Allocation Used
Gross Income	\$ -	\$ -	#DIV/0!	#DIV/0!
Net Operating Income	\$ -	\$ -	#DIV/0!	#DIV/0!
Operating Property Allocation	Operating	Total		
Gross PP&E	\$ -	\$ -	#DIV/0!	#DIV/0!
Net PP&E	\$ -	\$ -	#DIV/0!	#DIV/0!
Parent Operating Property to Parent Total Property Percent (Average)				#DIV/0!
Allocated Parent Operating Property (\$)				Not Applied

Allocation Between Parent and Reporting Company Operating Property

Income Influence	Reporting	Parent	Actual Allocation	Allocation Used
Gross Revenue	\$ 102,107,692	\$ -	#DIV/0!	#DIV/0!
Net Income	\$ (8,738,550)	\$ -	#DIV/0!	#DIV/0!
Asset Influence	Reporting	Parent		
Gross PP&E	\$ 302,389,427	\$ -	#DIV/0!	#DIV/0!
Net PP&E	\$ 301,733,082	\$ -	#DIV/0!	#DIV/0!
Reporting Oper Property to Parent Oper. Property Percent (Average)				#DIV/0!
Allocated Reporting Company Value before Leased Property (\$)				Not Applied
Plus NBV or NPV of Reporting Company Leased Property				\$ -
Total Market Indicator				Not Applied
Rounded				Not Applied
MARKET INDICATOR				\$ -

INCOME APPROACH

Income to Capitalize		Not Applied
Capitalization Rate		0
		13.79%
Income Indicator	\$	-
Rounded	\$	-
INCOME INDICATOR		\$ -

Company Name: Emeritus Communications
 Company Number: TX444

RECONCILED UNIT VALUE

Indicator	Cost	Income	Market	Total
Conclusion	\$ 301,733,100	\$ -	\$ -	
Indicator Weighting	100%	0%	0%	
Contribution to Value	\$ 301,733,100	\$ -	\$ -	\$ 301,733,100

SYSTEM MARKET VALUE \$ 301,733,100

ALLOCATIONS & ADJUSTMENTS TO COLORADO

ALLOCATION (from page 7)	Colorado	System	Ratio
Net Book Value	Not Applicable	Not Applicable	n/a
Customers (Resellers)	\$ 653	\$ 20,548	3.18%
Barrel Miles (Pipelines)	\$ -	\$ -	N/A
Track Miles (Rail Roads)	\$ -	\$ -	N/A
Gross Revenues (PF & TX)	\$ 3,579,938	\$ 102,322,340	3.50%
		Average Colorado to System Ratio	3.34%
Allocated Colorado System Market Value		(Average Ratio x System Market Value)	\$ 10,072,773
Additions and Deductions			
Colorado Additions (NBV)		\$ -	
Colorado Deductions (NBV)		\$ -	
Total Colorado Additions & Deductions		\$ -	
System Market Value		\$ 301,733,100	
Net book value (Total Operating Property)		\$ 301,733,082	
Market to Book Ratio (System Market Value/NBV)			100.00%
Total Colorado Additions & Deductions x Market to Book Ratio			0
Colorado Current Value			\$ 10,072,773
2004 Equalization Factor			98%
Colorado Actual Value			\$ 9,871,318
Assessment Ratio			29%
COLORADO ASSESSED VALUE			\$2,862,700

Company Name: Emeritus Communications
 Company Number: TX444

APPRAISAL PREPARED BY: Bill Hyde
 License Number: CG01316574

COMPANY WORKPAPERS

TAX YEAR: 2004
 COMPANY NAME: Emeritus Communications
 ID NUMBER: 444
 INDUSTRY GROUP: TX

HISTORY - Reporting Company	Net Operating Income		Net Operating Property	
	1999 \$	(177,181,101)	December 31, 1998	
	2000 \$	(155,418,558)	December 31, 1999	
	2001 \$	(53,809,774)	December 31, 2000	
	2002 \$	(17,595,608)	December 31, 2001	\$ 1,349,528
	2003 \$	(8,885,626)	December 31, 2002	\$ 1,812,102
			December 31, 2003	\$ 1,220,872

STOCK & DEBT APPROACH - Factors	Parent	Reporting
Operating Revenues		\$ 102,107,692
Net Operating Income		\$ (8,885,626)
Total Other Income		\$ 224,648
Income Before Extraordinary Items		\$ (8,738,550)

ASSETS	Parent	Reporting	Colorado
Plant in Service		1,877,217	
Construction Work In Progress [CWIP]			
Acquisition Adjustments			
Plant Held for Future Use			
Other Property (Intangibles)		300,512,210	
Capital Leases			
Inventories or Materials and Supplies			
GROSS OPERATING PROPERTY (Gross PP&E)	\$ -	\$ 302,389,427	\$ -
(Depreciation/Amortization)		(656,345)	
NET OPERATING PROPERTY (Net PP&E)	\$ -	\$ 301,733,082	\$ -
Current Assets Less Materials and Supplies		24,348,120	
Investments and Other		99,254,646	
GROSS NON-OPERATING PROPERTY	\$ -	\$ 123,602,766	\$ -
(Depreciation and Amortization)		-	
NET NON-OPERATING PROPERTY	\$ -	\$ 123,602,766	\$ -
TOTAL NET ASSETS (NBV)	\$ -	\$ 425,335,848	\$ -

OTHER UNIT PROPERTY	Reporting	Colorado
Contributions in Aid to Construction		
PLANT LEASED FROM OTHERS NBV	\$ -	\$ -
Original Leased Property Cost		
Lease Payment		
Average Age Leased Property		
Average Remaining Life Leased Property		

Company Name Emeritus Communications
 Company Number TX444

LIABILITIES\EQUITY	Parent	Reporting
Common Stock	\$	14,228,937
Preferred Stock		
Retained Earnings		(23,535,219)
Paid-in-Capital		
Long Term Debt (> one year)		384,350
Long Term Debt (< one year)		
Current Liabilities		434,257,780
Other Liabilities		
TOTAL LIABILITIES & EQUITY	\$ - \$	425,335,848

BALANCING THE BALANCE SHEET	Parent	Reporting
Balance Sheet in Balance	\$ - \$	-

CAPITAL STOCK SUMMARY	Parent
Market Value Common Stock	
Market Value Preferred Stock	
Market Value Long Term Debt	

APPRAISER INPUT WORKSHEET	ALLOCATION
Total Colorado Deductions \$ -	<u>Net Book Value:</u>
Total Colorado Additions \$ -	Colorado \$ -
Best Information Available (BIA) \$ -	System \$ 301,733,082
<i>BIA used for companies that fail to file.</i>	Colorado % n/a
<u>APPRAISER WEIGHTING</u>	<u>Customers:</u>
Cost % 100%	Colorado 653
Income % 0%	System 20,548
Market % 0%	Colorado % 3.18%
<u>CAPITALIZATION RATE</u>	<u>Barrel Miles:</u>
Industry Cap Rate 13.79%	Colorado 0
<u>IMPUTED FACTORS - IF APPLIED</u>	System 0
Imputed Rate of Return % 13.79%	Colorado % N/A
Imputed Income to Capitalize \$ \$ -	<u>Track Miles:</u>
	Colorado 0
	System 0
	Colorado % N/A
	<u>Gross Revenues</u>
	Colorado \$ 3,579,938
	System \$ 102,322,340
	Colorado % 3.50%

Industry	Cap Rate
Electrics	9.05%
Cogeneration	11.99%
Distribution Pipelines	9.55%
Fluid Pipelines	9.96%
Transmission Pipelines	11.37%
Major Railroads	10.69%
Short Line RR	11.68%
CLEC Telephones	13.79%
ILEC Telephones	12.59%
Long Distance Telephone	13.31%
All Telephone Resellers	13.79%
Mobile Telephone	13.89%
Water Companies (avg of all)	11.81%

COUNTY APPORTIONMENT WORKSHEET
 Emeritus Communications TX444

COUNTY	Input Customers	Percent of Property	5.5% Limit	Tabor Growth
Adams	\$ 280,102	7.8%	0.0%	0.0%
Alamosa	7,819	0.2%	0.0%	0.0%
Arapahoe	88,535	2.5%	0.0%	0.0%
Archuleta	-	0.0%	0.0%	0.0%
Baca	-	0.0%	0.0%	0.0%
Bent	-	0.0%	0.0%	0.0%
Boulder	-	0.0%	0.0%	0.0%
Broomfield	3,822	0.1%	0.0%	0.0%
Chaffee	44,772	1.3%	0.0%	0.0%
Cheyenne	532	0.0%	0.0%	0.0%
Clear Creek	-	0.0%	0.0%	0.0%
Conejos	-	0.0%	0.0%	0.0%
Costilla	-	0.0%	0.0%	0.0%
Crowley	-	0.0%	0.0%	0.0%
Custer	-	0.0%	0.0%	0.0%
Delta	9,198	0.3%	0.0%	0.0%
Denver	872,091	24.4%	0.0%	0.0%
Dolores	-	0.0%	0.0%	0.0%
Douglas	10,208	0.3%	0.0%	0.0%
Eagle	187,223	5.2%	0.0%	0.0%
El Paso	133,275	3.7%	0.0%	0.0%
Elbert	-	0.0%	0.0%	0.0%
Fremont	-	0.0%	0.0%	0.0%
Garfield	9,491	0.3%	0.0%	0.0%
Gilpin	337	0.0%	0.0%	0.0%
Grand	91,825	2.6%	0.0%	0.0%
Gunnison	1,499	0.0%	0.0%	0.0%
Hinsdale	-	0.0%	0.0%	0.0%
Huerfano	-	0.0%	0.0%	0.0%
Jackson	-	0.0%	0.0%	0.0%
Jefferson	41,298	1.2%	0.0%	0.0%
Kiowa	-	0.0%	0.0%	0.0%
Kit Carson	-	0.0%	0.0%	0.0%
La Plata	82,009	2.3%	0.0%	0.0%
Lake	-	0.0%	0.0%	0.0%
Larimer	578,371	16.2%	0.0%	0.0%
Las Animas	-	0.0%	0.0%	0.0%
Lincoln	-	0.0%	0.0%	0.0%
Logan	-	0.0%	0.0%	0.0%
Mesa	229,596	6.4%	0.0%	0.0%
Mineral	-	0.0%	0.0%	0.0%
Moffat	3,551	0.1%	0.0%	0.0%
Montezuma	217	0.0%	0.0%	0.0%
Montrose	-	0.0%	0.0%	0.0%
Morgan	59,650	1.7%	0.0%	0.0%
Otero	-	0.0%	0.0%	0.0%
Ouray	-	0.0%	0.0%	0.0%
Park	-	0.0%	0.0%	0.0%
Phillips	3,475	0.1%	0.0%	0.0%
Pitkin	20,187	0.6%	0.0%	0.0%
Prowers	-	0.0%	0.0%	0.0%
Pueblo	144,384	4.0%	0.0%	0.0%
Rio Blanco	43	0.0%	0.0%	0.0%
Rio Grande	16,864	0.5%	0.0%	0.0%
Routt	3,584	0.1%	0.0%	0.0%
Saguache	-	0.0%	0.0%	0.0%
San Juan	-	0.0%	0.0%	0.0%
San Miguel	-	0.0%	0.0%	0.0%
Sedgewick	-	0.0%	0.0%	0.0%
Summit	548,541	15.3%	0.0%	0.0%
Teller	36,150	1.0%	0.0%	0.0%
Washington	-	0.0%	0.0%	0.0%
Weld	24,781	0.7%	0.0%	0.0%
Yuma	46,510	1.3%	0.0%	0.0%
Total	\$ 3,579,940	100.0%		

Date: 01/25/05 10:31AM

Teller County Treasurer
State Assessed 2004 Tax Statement

Page: 13

Taxing Authority		Value	Mill Levy	Credit	Tax
Account: C0000590	EMERITUS COMMUNICATIONS PROPERTY TAX DEPT 1600 VICEROY DR DALLAS TX 75235				
02110	COUNTY GENERAL FUND	28,900	12.523000		361.91
02210	ROAD & BRIDGE	28,900	1.303000		37.66
02310	SOCIAL SER	28,900	0.807000		23.32
07110	CRIPPLE CREEK/VICTOR DIST. RE-1 G/F	11,560	16.614000		192.07
07130	RE-1 BOND	11,560	2.177000		25.17
07170	RE-1 ABATE/REFUND	11,560	0.068000		0.79
07210	WOODLAND PARK SCHOOL DIST. RE-2 G/F	17,340	31.108000		539.42
07230	RE-2 BOND	17,340	8.795000		152.51
07270	RE-2 ABT. REF	17,340	0.326000		5.65
07310	SOUTHERN TELLER CTY. LIBRARY G/F	11,580	0.558000		6.46
07410	SOUTHWEST TELLER COUNTY HOSPITAL G	11,560	1.640000		18.96
07610	RAMPART REGIONAL LIBRARY G/F	17,340	4.119000		71.43
07630	RAMPART REGIONAL LIBRARY BOND	17,340	2.426000		42.07
07710	NETC FIRE DIST	17,340	9.242000		160.26
09010	CITY OF WOODLAND PARK GF	17,340	16.249000		281.76
	TOTAL				1,919.44

