



ENTERED

TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the order of the Court.

Harlin DeWayne Hale
United States Bankruptcy Judge

Signed September 9, 2005

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

IN RE:

VARTEC TELECOM, INC., *et al.*

DEBTORS.

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CASE NO. 04-81694-HDH-11

**(Chapter 11)
(Jointly Administered)**

**ORDER APPROVING CLOSING OF RENO CALL CENTER, REJECTION OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND SALE OF
PERSONAL PROPERTY LOCATED IN RENO, NEVADA**

On September 7, 2005, the Court considered the Motion to Approve (I) Closing of Reno Call Center; (II) Rejection of Executory Contracts and Unexpired Leases; and (III) Sale of Surplus Personal Property Free and Clear of Liens, Claims, Interests, and Encumbrances [Docket No. 1739] (the "Initial Motion"), as amended by the Amended Motion to Approve (I) Closing of Reno Call Center; (II) Rejection of Executory Contracts and Unexpired Leases; and (III) Sale of Surplus Personal Property Free and Clear of Liens, Claims, Interests, and Encumbrances [Docket No. 1829] (the "Motion")¹ filed by

¹ Capitalized terms not defined herein shall have the meaning given to them in the Motion.

the above-referenced debtors (the "Debtors"). The Court finds that good cause exists for granting the relief requested in the Motion and that the rejection of the Agreements and the Real Property Lease and the sale of the Property is an exercise of the Debtors' business judgment. The Court further finds that adequate notice of this Motion has been given and no other notice need be given. Therefore, it is

ORDERED that the Motion is **GRANTED** as provided herein. It is further

ORDERED that the closing of the Reno Call Center and termination of the employees as set forth in the WARN Act Notices is approved. It is further

ORDERED that the Agreements shall be deemed rejected as of September 9, 2005. It is further

ORDERED that the Real Property Lease shall be deemed rejected as of the later of the date (the "Effective Date") (a) on which the Debtors surrender the Reno lease premises (the "Lease Premises") and serve Corporate Property Associates 4 (the "Landlord") written notice of the rejection of the Real Property Lease and the surrender of the Lease Premises (the "Notice") and (b) September 30, 2005. The Notice shall be deemed served, and the Lease Premises shall be deemed surrendered, on the date that the Notice is delivered to the Landlord via facsimile sent the attention of Holly Mauro at (212) 492-8922, with a copy via facsimile to Alan J. Lipkin, Esq. of Willkie Farr & Gallagher LLP at (212) 728-9240. It is further

ORDERED that if the Effective Date does not occur on or before September 30, 2005, rent payable under the Real Property Lease on account of the Debtors' use of the leased premises subsequent to September 30, 2005, shall be paid on a *pro rata* basis based upon the number of days of the applicable month which pass after September

30, 2005. The Debtors shall pay *pro rata* rent in advance in two equal installments on or before the first and fifteenth day of each month beginning on October 1, 2005, and the Landlord shall refund such portion of the rent, on a *pro rata* basis, for each day following the date on which the Debtors have vacated the Lease Premises. The Landlord shall make such payment within five (5) business days of receipt of the Notice. Notwithstanding anything herein to the contrary, all other obligations incurred by the Debtors (other than rent) due and owing on account of the Debtors' occupation of the Lease Premises after September 30, 2005 (including taxes and utility costs) shall be paid to the Landlord in accordance with the terms of the Real Property Lease and applicable law. It is further

ORDERED that the Landlord may file a proof of claim asserting damages arising from the rejection of the Real Property Lease on or before thirty days after the Effective Date (the "Bar Date"), and if the Landlord does not file such a proof of claim by the Bar Date, any such claim of the Landlord shall be deemed waived. It is further

ORDERED that the Debtors shall be deemed to have surrendered possession to the Landlord of the Volvo – Penta generator, Model TAD1232GE, S/N 21220261008, located at the Lease Premises. It is further

ORDERED that pursuant to Bankruptcy Code § 363(b), the Debtors are authorized to sell the Property as set forth in the Motion; provided however, if OneContact, Inc. fails to timely close the sale of the Property, the Debtors shall be authorized to conduct an auction of the Property pursuant to the terms set forth in the Initial Motion with the assistance of Rosen Systems, Inc.. The Debtors shall use their

commercially reasonable efforts to conduct the auction in a manner that avoids any damage to the Lease Premises. It is further

ORDERED that pursuant to Bankruptcy Code § 363(f), the sale of the Property shall be free and clear of all liens, claims and interests, if any, with any such liens, claims and interests, attaching to the net proceeds of the sales with the same validity and priority, subject to any rights and defenses the Debtors may have with respect thereto, provided that the proceeds from the sale of the Property shall be deposited in the funding account for the estates pending the final closing of the sale under the Asset Purchase Agreement dated July 25, 2005 by and among the Debtors and Comtel Investments L.L.C.. It is further

ORDERED that OneContact, Inc. is a good faith purchaser under 11 U.S.C. § 363(m) and is entitled to all of the protections provided therein. It is further

ORDERED that the Debtors are authorized to execute and deliver all instruments and documents, and take such other action as may be necessary or appropriate to implement and effectuate the transactions contemplated by this Order. It is further

ORDERED that if the sale of the Property to OneContact, Inc. closes, the Debtors are authorized to pay Rosen Systems, Inc. fees in the amount of \$3,000.00 and expenses in the amount of \$4,842.82 relating to services rendered in connection with the proposed auction of the Property; in the event that Rosen Systems, Inc. conducts an auction of the Property due to the absence of a closing of the sale otherwise contemplated hereunder, the fee and expense amounts paid hereunder shall be credited against any fees and expenses payable on account of such auction. It is further

ORDERED that the ten-day stay provided by Rule 6004(g) of the Federal Rules of Bankruptcy Procedure shall not be applicable and this Order shall be effective upon entry.

END OF ORDER

After entry, return copy to:

Richard H. London, SBT #24032678

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ATTORNEYS FOR THE DEBTORS

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