



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.

§
§
§
§
§
§

CASE NO. 04-81694-HDH-11

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

**ORDER APPROVING SALE TO DON VOLK OF REAL
PROPERTY IN DESOTO, TEXAS, FREE AND CLEAR OF ALL
LIENS, CLAIMS, INTERESTS, ENCUMBRANCES, AND TAXES**

On September 7, 2005, the Court considered the Second Motion for Approval of the Sale of Real Property in DeSoto, Texas Free and Clear of all Liens, Claims, Interests Encumbrances, and Taxes, and Waiving the Automatic Stay Imposed Under Federal Rule of Bankruptcy Procedure 6004(g) [Docket No. 1499] (the "Sale Motion") filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") with respect to the sale of the Property.¹ After reviewing the Sale Motion, the evidence presented, and the statements of counsel at the hearing, the Court finds

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

that (i) the Court has jurisdiction over the matters raised in the Sale Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) proper and adequate notice of the Sale Motion and the hearing thereon has been given and that no other or further notice is necessary; (iv) Don Volk ("Buyer") is a good faith purchaser within the meaning of Bankruptcy Code § 363; (v) the RTFC consents to the relief requested in the Sale Motion; and (vi) the relief requested in the Sale Motion is in the best interest of the Debtors, their estates and creditors, and is a sound exercise of the Debtors' business judgment and such transaction should be approved.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Sale Motion is **GRANTED**.
2. All objections to the Sale Motion that have not been withdrawn are overruled.
3. Pursuant to Bankruptcy Code § 363, the Sale Motion is approved with regard to the sale of the Property, free and clear of all liens, interests, claims and encumbrances, for the sum of \$235,000.00 pursuant to the Contract of Sale dated September 6, 2005 by and between VarTec Properties, Inc. and the Buyer (the "Agreement").
4. The parties are hereafter authorized and directed to take all actions necessary to effectuate and close the sale of the Property.
5. Buyer is a good faith purchaser under 11 U.S.C. § 363(m) and is entitled to all of the protections provided therein.

6. Upon closing, any liens against the Property shall (i) attach to the net proceeds of the sale of the Property (the "Proceeds") and (ii) the Proceeds shall be applied provisionally by the RTFC in accordance with the terms and provisions of the First Amended and Restated Credit Agreement, dated as of October 7, 2004 between VarTec Telecom, Inc. and the RTFC (the "FARCA"), as amended by the DIP Financing Amendment to the FARCA, dated as of November 1, 2004, and the First Amendment and Waiver of Default, dated as of January 11, 2005, provided that all rights and remedies of all interested parties, if any, to object to, seek avoidance of or subordination of, and assert defenses, offsets, recoupment rights, and counterclaims to any lien, claim, right, interest, and/or encumbrance asserted against the Proceeds are hereby expressly preserved such that the RTFC shall be obligated to pay such Proceeds to the Debtors, as determined by this Court, in the event of a final determination that RTFC is not entitled to receive and retain same.

7. The Debtors shall be authorized to pay all commissions and other costs required under the Agreement.

8. The Court shall retain exclusive jurisdiction to address any and all matters related to the sale of the Property and the provisions of this Order.

9. In connection with the sale of the Property, the ten-day stay provided by Federal Rule of Bankruptcy Procedure 6004(g) shall not be applicable and this Order shall be effective upon entry.

End of Order

After entry, return copy to:

Richard H. London
VINSON & ELKINS L.L.P.
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, Texas 75201-2975
Tel: 214.661.7299
Fax: 214.999.7823

ATTORNEYS FOR THE DEBTORS

1010058_1.DOC