



**The following constitutes the order of the Court.**

**Signed November 7, 2005**

*Harlin DeWayne Hale*  
**United States Bankruptcy Judge**

**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)**

**FINAL ORDER AUTHORIZING POST-PETITION  
FINANCING, GRANTING SENIOR LIENS AND PRIORITY  
ADMINISTRATIVE EXPENSE STATUS, AND MODIFYING THE AUTOMATIC STAY  
(RTFC ADMINISTRATIVE DIP FINANCING)**

On November 1, 2005, the Court considered the Motion for Interim and Final Orders (i) Authorizing the Debtors to Obtain Post-Petition Financing on an Interim and Final Basis Secured by Senior Priming Liens, (ii) Scheduling a Final Hearing and Establishing Notice Requirements, and (iv) Granting Related Relief (RTFC Administrative DIP Financing) [Docket No. 1919] (the "Motion")<sup>1</sup> filed by VarTec

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

Telecom, Inc.; Excelcom, Inc.; Excel Communications Marketing, Inc.; Excel Management Service, Inc.; Excel Products, Inc.; Excel Telecommunications, Inc.; Excel Telecommunications of Virginia, Inc.; Excel Teleservices, Inc.; Telco Communications Group, Inc.; Telco Network Services, Inc.; VarTec Business Trust; VarTec Properties, Inc.; VarTec Resource Services, Inc.; VarTec Solutions, Inc.; VarTec Telecom Holding Company; VarTec Telecom International Holding Company; and VarTec Telecom of Virginia, Inc. (collectively, the “Debtors”).<sup>2</sup> In the Motion, the Debtors request, among other things, the following:

- a. pursuant to Bankruptcy Code § 364 and Bankruptcy Rules 2002, 4001(c), and 9014, this Court’s authorization to (i) obtain secured post-petition financing (the “RTFC Administrative DIP Financing”) in an aggregate amount not to exceed \$9,181,370 from the Rural Telephone Finance Corporation (the “Lender”); execute a credit agreement with respect to the RTFC Administrative DIP Financing in substantially the form attached to the Motion (as amended, supplemented, or otherwise modified, the “RTFC Administrative DIP Credit Agreement”), and execute all documentation contemplated in the RTFC Administrative DIP Credit Agreement or an interim or final Order (together with the RTFC Administrative DIP Credit Agreement, the “RTFC Administrative DIP Financing Documents”); and (ii) grant the Lender security interests in and liens on certain collateral composed of the Excluded Assets (as defined in the Asset Purchase Agreement dated July 25, 2005 by and among the Debtors and Comtel Investments LLC) (collectively, the “Collateral”) to secure the Debtors’ obligations under the RTFC Administrative DIP Credit Agreement;
- b. a preliminary hearing (the “Preliminary Hearing”) on the Motion to consider entry of an interim Order pursuant to Bankruptcy Rule 4001 authorizing the Debtors, among other things, to borrow from the Lender under the RTFC Administrative DIP Credit Agreement up to an aggregate amount of \$9,181,370, all upon the terms and conditions set forth in the RTFC

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<sup>2</sup> On January 12, 2005, this Court entered its Final Order Authorizing Post-Petition Financing, Granting Senior Liens and Priority Administrative Expense Status, Authorizing Use of Cash Collateral, and Modifying the Automatic Stay [Docket No. 789] (the “First DIP Financing Order”). Nothing herein shall affect the rights of the Rural Telephone Finance Cooperative (“RTFC” or the “Lender”) pursuant to the First DIP Financing Order to the extent obligations incurred pursuant to that Order exist.

Administrative DIP Financing Documents and this Final Order pending the Final Hearing (as defined below); and

- c. a final hearing (the "Final Hearing") be scheduled by this Court to consider entry of a final order (the "Final Order") authorizing on a final basis, among other things, the RTFC Administrative DIP Financing.

Under the circumstances, due and sufficient notice of the Motion and the Preliminary Hearing has been given; the Preliminary Hearing on the Motion was held before this Court on October 11 and 14, 2005; the Final Hearing was held before this Court on November 1, 2005. Upon the record made at the Preliminary Hearing, including the evidentiary presentation, exhibits and comments of counsel for the Debtors, the Lender, and the Official Committee of Unsecured Creditors (the "Official Committee") this Court finds that good and sufficient cause exists; and therefore,

**IT IS HEREBY FOUND** that:

A. On November 1, 2004 (the "Petition Date"), the Debtors each filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code (the "Cases"). The Debtors are continuing in possession of their property, and operating and managing their businesses, as debtors in possession pursuant to Bankruptcy Code §§ 1107 and 1108.

B. This Court has jurisdiction over the Cases and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2).

C. Without prejudice to the rights of the Official Committee, which has commenced Adversary Proceeding No. 05-03514-HDH-11 (the "Adversary Proceeding") challenging certain of the findings set forth in this paragraph:

i. VarTec Telecom, Inc. is a borrower (the “Borrower”) and the other Debtors (except VarTec Telecom of Virginia, Inc. and Excel Telecommunications of Virginia, Inc.) are guarantors (the “Guarantors”) under that certain First Amended and Restated Credit Agreement, dated as of October 7, 2004 (together with all documents relating thereto, the “Pre-Petition Loan Agreement”), with the RTFC, pursuant to which the RTFC provided financing to the Debtors in the form of a secured term loan and a secured line of credit to the Borrower.<sup>3</sup> The Borrower and the Guarantors shall be referred to herein collectively as the “Obligors.”

ii. As of the Petition Date, the Borrower was truly and justly indebted, without defense, offset or counterclaim of any kind, to the Lender in respect of (a) an outstanding term loan pursuant to the Pre-Petition Loan Agreement in the principal amount of \$153,863,460.76, plus accrued interest, if any; (b) revolving credit loans pursuant to the Pre-Petition Loan Agreement in the principal amount of \$50,000,000 plus accrued interest, if any; and (c) costs and fees owing, if any, to the Pre-Petition Lender to the extent provided for in the Pre-Petition Loan Agreement (collectively, the “Pre-Petition Indebtedness,” and together with the other obligations and liabilities of the Debtors under the Pre-Petition Loan Agreement and related documents, the “Pre-Petition Obligations”).

iii. Each Guarantor executed a guarantee in respect of the Pre-Petition Obligations and is directly and unconditionally liable to the Lender pursuant to the terms of such guarantee.

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<sup>3</sup> The capital stock of VarTec Telecom of Virginia, Inc. and Excel Telecommunications of Virginia, Inc. was pledged to the Rural Telephone Finance Cooperative under transactions completed in conjunction with the Pre-Petition Loan Agreement.

iv. The Pre-Petition Obligations are secured by valid, perfected, enforceable liens and security interests of first priority (subject only to any existing, valid, and enforceable offset rights and certain liens permitted under the terms and conditions of the Pre-Petition Loan Agreement, the "Permitted Liens") granted by the applicable Debtors to the Lender upon and in substantially all of the Borrower's and the other applicable Debtors' assets and property (including the setoff rights described in the Pre-Petition Loan Documents and arising by operation of law, the "Pre-Petition Collateral"), including without limitation, inventory, accounts receivable, equipment, general intangibles, other tangible and intangible personal property, real property and the proceeds thereof.

D. Pursuant to the terms of the First DIP Financing Order (dkt. No. 789) entered by the Court on January 12, 2005, a "carve-out" was established to enable the payment of allowed professional fees and disbursements incurred by professionals retained, pursuant to Bankruptcy Code §§ 327 or 1103(a), by the Debtors, Official Committee and Official Committee of Excel Independent Representatives (the "IR Committee"), and any disbursements of any member of such committee, with a cap or ceiling of \$1,500,000.00 in the aggregate, less any retainers held by such professionals (the "Original Carve-Out"). The specific terms and conditions of the carve-out contained in the First DIP Financing Order are referred to herein for purposes of complete description.

E. Without the RTFC Administrative DIP Financing, the Debtors do not have sufficient available sources of working capital and financing to pay for certain non-operating expenses associated with the administration of the Debtors' Cases and for

settlement of certain claims against the Debtors. The Debtors' need for financing is immediate and necessary.

F. Given the Debtors' current financial condition, financing arrangements and capital structure, the Debtors cannot obtain sufficient unsecured credit allowable under Bankruptcy Code § 503(b)(1) as an administrative expense. Financing on a post-petition basis is not otherwise available without the Debtors' securing, for the benefit of the Lender, such indebtedness and obligations with security interests in and liens on the Excluded Assets pursuant to Bankruptcy Code §§ 364(c) and (d). The terms and conditions of the RTFC Administrative DIP Financing Documents, including those which provide for the repayment of the RTFC Administrative DIP Financing, for the payment of interest to, and fees of the Lender on account of the RTFC Administrative DIP Financing, are believed by the Debtors to be fair and reasonable, and are the best available under the circumstances.

G. On October 19, 2005, this Court entered the Interim Order (i) Authorizing the Debtors to Obtain Post-Petition Financing on an Interim and Final Basis Secured by Senior Priming Liens, (ii) Scheduling a Final Hearing and Establishing Notice Requirements, and (iv) Granting Related Relief (RTFC Administrative DIP Financing) (the "Interim Order").

H. Notice of the Final Hearing and the relief requested in the Motion has been given to the parties identified on the Debtors' master service list, including, among others, (i) the Office of the United States Trustee, (ii) counsel to the Lender, (iii) counsel to the Official Committee, (iv) counsel to the IR Committee; and (v) all other allegedly secured claimants known to the Debtors. Under the circumstances, such notice of the

Preliminary Hearing and the relief requested in the Motion complies with the requirements of Bankruptcy Code §§ 102(1), 364(c) and 364(d) and Bankruptcy Rules 2002, 4001 (b), 4001(c), 4001(d), 9007, 9014 and the corresponding Local Bankruptcy Rules.

I. Based on the record before the Court, the RTFC Administrative DIP Financing and RTFC Administrative DIP Credit Agreement have been negotiated in good faith and at arm's length between the Debtors and the Lender, and any credit extended and loans made to the Debtors pursuant to the RTFC Administrative DIP Credit Agreement and Financing Documents shall be deemed to have been extended or made, as the case may be, in good faith as required by, and within the meaning of and in express reliance upon the protections afforded by, Bankruptcy Code § 364(e) and the Lender is entitled to the protection and benefits thereof.

J. Based on the record before the Court, the terms of the RTFC Administrative DIP Credit Agreement and Financing are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

K. The Debtors have requested entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). The permission granted herein to enter into the RTFC Administrative DIP Financing and to obtain funds thereunder is necessary to avoid immediate and irreparable harm to the Debtors. This Court concludes that entry of this Final Order (the "Administrative DIP Financing Order") is in the best interest of the Debtors' respective bankruptcy estates and creditors as its

implementation will allow the Debtors to pay certain necessary, non-operating administrative expenses.

Based upon the foregoing findings and conclusions, and upon the record before this Court, and good and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED** that:

1. The Motion is granted, subject to the terms and conditions set forth in this Final Order (“Administrative DIP Financing Order”).

2. The Debtors are authorized to comply with and perform all of the terms and conditions of the RTFC Administrative DIP Financing Documents and the terms thereof are hereby approved. All post-petition loans made under the RTFC Administrative DIP Credit Agreement (the "Loans") and interest thereon and all post-petition fees, costs, expenses, indebtedness, obligations and liabilities of the Borrower and each Guarantor to the Lender under the RTFC Administrative DIP Financing Documents, the Interim Order and this Final Order are hereinafter referred to as the "Obligations."

3. The Borrower is expressly authorized to borrow from the Lender, on the terms and subject to the conditions set forth in the RTFC Administrative DIP Financing Documents, and the Guarantors are expressly authorized to guarantee all Obligations in respect of such Loans. The Debtors are authorized to use the proceeds of the Loans in the administration of the Cases, provided that the proposed Loan or use of the Loans' proceeds is consistent with the terms of the RTFC Administrative DIP Credit Agreement, this Final Order, and the budget attached hereto as Exhibit “A” (the “Budget”).



4. If a default occurs and is continuing, subject to the Lender giving five (5) days prior written notice to the Debtors, the United States Trustee, the Official Committee, and the IR Committee and subject to further Order of the Court (the "Default"), the Lender may terminate the RTFC Administrative DIP Financing (the date of any such termination, the "Termination Date"), and declare the Loans to be due and payable.

5. As security for the Obligations, the Lender shall have and hereby is granted (effective upon the date of the Interim Order and without the necessity of the execution by the Debtors which are Obligor of mortgages, security agreements, pledge agreements, financing statements or otherwise, and subject only to any existing valid and enforceable liens senior to the Lender's liens on the Pre-Petition Collateral), valid and perfected security interests in and liens on (the "Liens") the Collateral.

6. Payment of the Obligations shall be promptly made to the RTFC from proceeds of the Collateral net of those amounts as permitted by the RTFC DIP Credit Agreement.

7. Subject to the remainder of this paragraph, the Original Carve-Out shall be reduced, dollar for dollar, to the extent Loan advances are made under the RTFC Administrative DIP Financing and RTFC DIP Credit Agreement. In the event Lender provides written notice of any uncured Default or Event of Default (as each such term is defined in the RTFC Administrative DIP Credit Agreement) which Default which shall remain uncured (the "Notice of Default"), the reduction in the Original Carve-Out referred to above shall be limited such that the remaining carve-out upon delivery of the Notice of Default (the "Administrative DIP Carve-Out") shall be the lesser of (a)

\$500,000 or (b) the reasonable and necessary professional fees and disbursements (as approved by the Court), whether incurred before, on or after the date of delivery of the Notice of Default, by the professionals retained pursuant to Bankruptcy Code §§ 327 or 1103(a), by the Debtors, Official Committee, and IR Committee, and any disbursements of any member of such committee, quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6), and any fees payable to the Clerk of the Bankruptcy Court . The Notice of Default shall be null, void and of no force and effect if the asserted Default or Event of Default is cured in accordance with the terms of the RTFC Administrative DIP Financing Documents.

8. As authorized in the Interim Order, and immediately upon entry of this Final Order, the Debtors are hereby authorized to use the proceeds of the Loans pursuant to the Budget.

9. As long as any portion of the Obligations remains unpaid, or any RTFC Administrative DIP Financing Document remains in effect, the Debtors shall not seek without RTFC consent, and it shall constitute a Default (and automatic occurrence of the Termination Date) if there is entered, an order dismissing any of the Cases or converting any of the Cases to Chapter 7 proceedings without RTFC consent. If an order dismissing any of the Cases under Bankruptcy Code §1112 or otherwise, or converting any of the Cases to Chapter 7 proceedings, is at any time entered, such order shall provide (in accordance with Bankruptcy Code §§ 105 and 349) that (i) Liens granted pursuant to the Interim Order or this Final Order to the Lender, as the case may be, shall continue in full force and effect and shall remain binding on all parties in interest notwithstanding such dismissal until the Obligations shall have been paid and

satisfied in full and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the limited purpose of enforcing such Liens.

10. Subject to paragraph 4 and other applicable terms hereof, upon the occurrence and during the continuance of a Default, the Lender may exercise rights and remedies and take all or any of the following actions without further modification of the automatic stay pursuant to Bankruptcy Code § 362 (which is hereby deemed modified and vacated to the extent necessary to permit such exercise of rights and remedies and the taking of such actions) or further order of or application to this Court: (i) terminate the credit commitments or obligation to make Loans to the Borrower; (ii) declare the principal of and accrued interest, fees and other liabilities constituting the Obligations to be due and payable; (iii) enforce rights and remedies under the Loans against the Collateral and (iv) take any other action or exercise any other right or remedy permitted to the Lender under the RTFC Administrative DIP Financing Documents, this Final Order or by operation of law; provided, however, the Lender may take the actions described in clauses (iii) or (iv) above only after providing five calendar days' prior written notice and opportunity to cure to the Borrower, the United States Trustee, the Official Committee, and the IR Committee.

11. In connection only with the D&O Litigation,<sup>4</sup> the Lender agrees that it shall not foreclose its lien on the D&O Litigation (it being understood and agreed that all other

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<sup>4</sup> As used herein, "D&O Litigation" means any and all claims and causes of action that the VarTec Debtors or their bankruptcy estates or their creditors or any of them may have or possess against (a) any or all of the past or present officers, directors, employees, agents, consultants, representatives, controlling shareholders, control persons, trustees of business or payroll trusts, or professionals (whether acting individually or in their representative capacity) of one or more of the VarTec Debtors or their bankruptcy estates, TEC, CGI, or any affiliate or subsidiary of the VarTec (Footnote Continued on Next Page.)

rights of Lender with respect to such lien, including, without limitation, enforcement of Lender's rights to the proceeds of such lien shall remain unaffected hereby) until such time as set forth in that certain Statement of Additional Terms which shall be an exhibit to and part of the RTFC Administrative DIP Credit Agreement (the "Statement of Additional Terms") filed under seal with this Court (the "Lien Enforcement Date").<sup>5</sup> On or before the Lien Enforcement Date, the Official Committee (or its successor or the person then holding the right to assert or continue the D&O Litigation (the "Official Committee or its successor")) may request the Lender's consent to an extension of the Lien Enforcement Date from the Lender for a time period as set forth in the Statement of Additional Terms, the consent to which by the Lender will not be unreasonably withheld (the "Initial Consent Period").

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(Footnote Continued from Previous Page.)

Debtors, TEC, or CGI; (b) TEC, CGI, or their subsidiaries and affiliates; (c) any other persons or entities who may be considered an Insured under National Union Fire Insurance Co. Policy No. 347-73-62, Federal Insurance Co. Policy No. 6800-9170, or any other policy of insurance, or (d) any other persons or entities who usurped or participated in the usurpation of a corporate opportunity, breached or participated in the breach of a fiduciary duty, or breach or participated in the breach of any other similar duty owed to one or more of the VarTec Debtors, or any of them for acts, omissions, transactions, or other events that occurred or accrued prior to November 1, 2004, whether sounding in tort, contract, breach of fiduciary duty, breach of statutory duty, fraudulent transfer, or otherwise, and including without limitation any such claims or causes of action arising from or related in any way to any or all of the following transactions: (i) Joe and Connie Mitchell's compensation and compensation of other executives, officers or directors; (ii) Lightyear transactions, including without limitation loans to Lightyear and the attempted acquisition of Lightyear; (iii) subsidiary guarantees of and liens granted to secure repayment of VarTec debt; (iv) Transfer and subsequent lease of the 10XXX Ranch; (v) the buy-out or attempted buy-out of TEC's interest in VarTec; (vi) the acquisition of Excel Communications and its affiliates; (vii) transactions relating to Records Retrieval, Inc., Sunergos Technologies, Inc., and Medtech; (viii) transactions with Universal Vision Corporation; (ix) transactions with LM Data and Innovative Outsourcing; and, (x) settlements, compromises, releases and payments of October 2004, including without limitation compromises of tax attributes. As used herein, "TEC" means Telephone Electronics Corporation and "CGI" means Communigroup, Inc.

<sup>5</sup> The Statement of Additional Terms has been filed under seal pursuant to Order of this Court (docket #2008).

12. If the Lender withholds its consent to such extension request, the Official Committee (or its successor) may request a hearing before the Bankruptcy Court (which shall retain jurisdiction for such purpose), at which hearing the Official Committee (or its successor) shall have the burden of proof on the issue of the Lender's reasonableness. The Official Committee or its successor shall not be limited in its time extension request(s) to the Initial Consent Period for any request(s) beyond such time period, but the Committee or its successor shall bear the burden under section 105 of the Bankruptcy Code.

13. At any time prior to Lender foreclosing an item of Collateral, the Official Committee (or its successor) shall have the right to cause a release by Lender of its Estate DIP Liens on the Collateral by paying to the Lender all principal, interest, reasonable fees, charges and other amounts due and owing under the RTFC Administrative DIP Financing or the RTFC Administrative DIP Credit Agreement. For these purposes, the term "Estate DIP Liens" shall mean only those liens created under the RTFC Administrative DIP Financing, and for purposes of clarity, shall not mean any liens created under any other prepetition or post-petition financing of the Debtors by the Lender.

14. The Debtors which are Obligors are authorized to perform all acts, and execute and comply with the terms of such other documents, instruments and agreements in addition to the RTFC Administrative DIP Financing Documents, as the Lender may reasonably require, as evidence of and for the protection of the Obligations, or which otherwise may be deemed reasonably necessary by the Lender to effectuate the terms and conditions of this Final Order and the RTFC Administrative DIP Financing

Documents. The Debtors which are Obligors and the Lender are hereby authorized to implement, in accordance with the terms of the RTFC Administrative DIP Credit Agreement, any modifications of the RTFC Administrative DIP Credit Agreement which are not material and adverse to the Debtors which are Obligors without further order of this Court.

15. The Lender shall be entitled to the full protection of Bankruptcy Code § 364(e) with respect to the Obligations and the Liens created or authorized by the Interim Order or this Final Order in the event that this Final Order or any authorization contained herein is stayed, vacated, reversed or modified on appeal.

16. The provisions of this Final Order and any actions taken pursuant hereto shall survive any order that may be entered (i) converting any of the Cases to a chapter 7 case; or (ii) dismissing any of the Cases; and the terms and provisions of this Final Order as well as Liens granted pursuant to the Interim Order or this Final Order and the RTFC Administrative DIP Loan Documents shall continue in full force and effect notwithstanding the entry of any such orders.

17. The findings contained herein shall be binding upon all parties in interest, including without limitation, the Debtors, each statutory committee appointed in the Cases, and any trustee appointed under Bankruptcy Code §1104 or under Chapter 7 of the Bankruptcy Code except as otherwise provided herein. Nothing herein is intended to assign any claim of the Debtors to any party in interest, including without limitation or to bestow any standing with respect thereto.

18. No proceeds of Loans or other cash shall be used by the Debtors or any other party in interest, and the Carve Out shall not apply, to fund any fees or expenses

for services which involve or directly relate to (i) any investigation of or any attempt from and after the entry date of the Interim Order to challenge, avoid, equitably subordinate, recharacterize or otherwise impair or reduce any claim of Lender against any of the Debtors or any affiliate or insider of Debtors (whether such claims arise prior to or after the Petition Date) or the validity, priority, enforceability or perfection of any of the liens granted (either prior to or after the Petition Date) to the Lender, or (ii) without duplication of clause (i), the assertion or litigation of any claims against Lender (including, without limitation, any litigation or claims arising under Bankruptcy Code §§ 510, 544, 545, 547, 548, 549, 550 or 553 or other applicable law).

19. For purposes of clarity only, RTFC's rights hereunder are subordinate to Billing Concepts' rights under its Billing Agreements with certain of the Debtors. Nothing contained herein shall affect the rights of Billing Concepts as set forth in the Final Order Authorizing Post-Petition Financing, Granting Senior Lines and Priority Administrative Expense Status, Authorizing Use of Cash Collateral and Modifying the Automatic Stay [Docket #789], and the Order Authorizing Assumption of Executory Contracts and Granting Relief from Stay [Docket #1018].

20. The provisions of this Final Order shall be binding upon and inure to the benefit of the Lender, the Debtors, the Official Committee, the IR Committee, and all parties in interest in these cases, and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in the Cases as a legal representative of the Debtors or the Debtors' bankruptcy estates.

21. The Debtors shall promptly mail copies of this Final Order to the parties having been given notice of the Preliminary Hearing.

22. The Budget may be amended provided that such amendment to the Budget shall be reviewed and approved by the Debtors, the RTFC and the Official Committee. A copy of such amended Budget shall be filed with the Court. Notwithstanding the foregoing regarding amendments to the Budget, amounts in the Budget for fees and expenses accrued to date as to XRoads, White & Case, Scouler Andrews (subject to any applicable fee/expense cap by agreement or prior Order of this Court), Bickel & Brewer, and Kane Russell Coleman & Logan P.C. (the "Fee/Expense Amounts") are limited to those amounts which are not disputed by the RTFC; in the event an agreement is reached among the Debtors, RTFC, the Official Committee on the one hand, and XRoads or White & Case on the other hand, as to amounts accrued to date in addition to the Fee/Expense Amounts, or if this Court approves amounts accrued to date in addition to the Fee/Expense Amounts after notice and hearing, the Budget shall be modified to reflect same, a copy of which shall be filed with this Court. Nothing herein shall waive or limit any rights or remedies of any interested party in connection with any prior Order of this Court approving the engagement of any professional person by the Debtors, the Committee or the IR Committee.

23. This Final Order shall be immediately valid and fully effective upon its entry, and shall not be subject to any stay otherwise applicable and its provisions shall be self-executing.

24. Notwithstanding any provision in this Final Order or the RTFC Administrative DIP Credit Agreement, nothing in this Order or the RTFC Administrative DIP Credit Agreement shall be construed as granting liens to the RTFC on any claims



asserted in the Adversary Proceeding nor does the RTFC have an administrative claim of any priority with respect to proceeds from such claims.

**### End of Order ###**

*After entry, return copy to:*

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**ATTORNEYS FOR THE DEBTORS**

**EXHIBIT A**

**THIS DOCUMENT WAS FILED AS AN EXHIBIT TO THE MOTION FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION FINANCING ON AN INTERIM AND FINAL BASIS SECURED BY SENIOR PRIMING LIENS, (II) SCHEDULING A FINAL HEARING AND ESTABLISHING NOTICE REQUIREMENTS, AND (IV) GRANTING RELATED RELIEF (RURAL TELEPHONE FINANCE COOPERATIVE), WHICH IS AVAILABLE AT DOCKET NUMBER 1919 IN BANKRUPTCY CASE NO. 04-81694-HDH-11.**