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**ATTORNEYS FOR THE DEBTORS**

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

<b>IN RE:</b>	§	
	§	
<b>VARTEC TELECOM, INC., et al.,</b>	§	<b>CASE NO. 04-81694-HDH-11</b>
	§	
<b>DEBTORS.</b>	§	<b>(Chapter 11)</b>
	§	<b>(Jointly Administered)</b>

**NOTICE OF MODIFICATION OF ESTATE BUDGET**

On September 29, 2005, the Debtors filed their 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 (iii) Granting Related Relief (RTFC Administrative DIP Financing) [Docket No. 1919] (the "Estate DIP Financing Motion"). At the interim and final hearings on the Estate DIP Financing Motion, the Court admitted the budget attached hereto as **Exhibit A** (the "Modified Budget") (which was approved by, among others, the RTFC and the Official Committee of Unsecured Creditors) as exhibits. The Modified Budget modified the budget that was attached as an exhibit to the Estate DIP Financing Motion (the "Initial Budget").

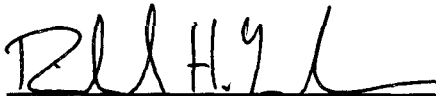
The Modified Budget which was admitted at the preliminary hearing was agreed

to by the RTFC and the Committee and thus, as permitted pursuant to the final Order the Debtors file the Modified Budget attached hereto as the budget applicable to the Interim Order and the Final Order.

Dated: November 7, 2005

Respectfully submitted,

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By:   
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**CERTIFICATE OF SERVICE**

This is to certify that on November 7, 2005, a copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas. A separate certificate of service shall be filed with respect to those parties on the Clerk's list who do not receive electronic e-mail service.

  
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One of Counsel

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**VarTec Telecom, Inc  
Projected Restructuring Fees**

<b>Billed Professional Fees</b>	<b>Jul-05</b>	<b>Aug-05</b>	<b>Sep-05</b>	<b>Oct-05</b>	<b>Nov-05</b>	<b>Dec-05</b>	<b>Jan-06</b>	<b>Total</b>
Vinson & Elkins (1)	280,000	375,000	718,706	675,000	300,000	300,000	275,000	2,923,706
Carrington, Coleman et al	224,989	240,000	475,000	100,000	80,000	80,000	65,000	1,264,989
White & Case (2)	45,000	-	80,951	-	-	-	-	125,951
Xroads Solutions Group (2)	118,654	65,000	185	30,000	30,000	30,000	30,000	303,839
BMC	50,000	50,000	50,000	40,000	30,000	20,000	10,000	250,000
Houlihan	50,000	-	284,438	-	-	-	-	334,438
Scouler Andrews	27,449	-	-	-	-	-	-	27,449
US Trustee	10,000	8,571	7,143	5,714	4,286	2,857	1,903	40,474
Hughes & Luce, LLP	100,000	93,000	319,656	60,000	35,000	35,000	-	642,656
Kane Russell Coleman & Logan PC	-	-	103,020	-	-	-	-	103,020
Lynn Tillotson & Pinker, LLC	-	-	382	-	-	-	-	382
Luffey Huffman & Monroe	-	-	39,465	-	-	-	-	39,465
Outside Counsel	75,000	75,000	75,000	25,000	25,000	25,000	25,000	325,000
<b>Total Professional Fees</b>	<b>981,093</b>	<b>906,571</b>	<b>2,153,946</b>	<b>935,714</b>	<b>504,286</b>	<b>492,857</b>	<b>406,903</b>	<b>6,381,370</b>
IR Settlement	-	-	-	-	-	-	2,800,000	2,800,000
<b>Total Post Sales Funding</b>	<b>981,093</b>	<b>906,571</b>	<b>2,153,946</b>	<b>935,714</b>	<b>504,286</b>	<b>492,857</b>	<b>3,206,903</b>	<b>9,181,370</b>

(1) October fees included \$350,000 for noticing IR Representatives of potential settlement.

(2) Amount subject to modification pursuant to court order or the agreement of RTFC.

