

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

The following constitutes the order of the Court.

Hamlin DeWayne Hale
United States Bankruptcy Judge

Signed December 28, 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)**

**AGREED ORDER GRANTING DEBTORS' FIFTH MOTION TO AUTHORIZE REJECTION OF
CERTAIN CIRCUIT AGREEMENTS WITH SBC TELEPHONE COMPANIES**

[RELATES TO DOCKET NO. 2088]

On December 19, 2005, the Court considered the Debtors' Fifth Motion to Authorize Rejection of Certain Circuit Agreements with SBC Telephone Companies (the "Motion"). The Debtors filed the Motion on November 18, 2005.

The Debtors and the various SBC telephone companies (collectively, "SBC")¹ agree, and the Court finds:

1. The Motion concerns executory contracts between various Debtors and various SBC telephone companies for "Designated Circuits" as more particularly described in Exhibit A to the Motion. The Debtors are not rejecting agreements for any circuits other than Designated Circuits as more particularly described in this Agreed Order.

2. The Debtors and SBC acknowledge that as to those executory contracts for Designated Circuits that are to be rejected pursuant to this Agreed Order, such Designated Circuits were disconnected on or about the respective "Disconnection Dates" listed in Exhibit A of the Motion.

3. The Debtors have exercised sound business judgment to determine that the executory contracts that are to be rejected pursuant to this Agreed Order should be rejected.

4. The Court also finds that adequate notice of the Motion has been given, and that no other notice is necessary.

Based on the foregoing,

It is hereby ORDERED that the Motion is GRANTED IN PART such that the executory contracts relating to each Designated Circuit identified in Exhibit A of the Motion shall be rejected effective as of corresponding disconnection date ("Disconnection Date") for each Designated Circuit listed in Exhibit A of the Motion EXCEPT AS FOLLOWS:

the following Designated Circuits, described by the line item number at which they are more particularly described in Exhibit A of the Motion, shall be stricken from the Motion such that the agreements for these Designated Circuits shall neither be assumed nor

¹ SBC Operations, Inc. and its affiliates listed as follows are referred to collectively as "SBC": Southwestern Bell Telephone, L.P., Pacific Bell Telephone Company, The Southern New England Telephone Company, Illinois Bell Telephone Company, Indiana Bell Telephone Company Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, Wisconsin Bell, Inc., Nevada Bell Telephone Company, and The Woodbury Telephone Company.

rejected; rather, they shall be treated as if these agreements had never been included in the Motion:

Exhibit A, Line Item No. 2

Exhibit A, Line Item No. 3

Exhibit A, Line Item No. 18

Exhibit A, Line Item No. 19

Exhibit A, Line Item No. 21

As to these Designated Circuits, the Debtors reserve their right to assume or reject these circuit agreements in accordance with the Bankruptcy Code and prior order of this Court.

It is FURTHER ORDERED that the Debtors shall promptly allow SBC to retrieve SBC equipment, which was used to provide service under the executory contracts for the Designated Circuits that are rejected pursuant to this Agreed Order.

It is FURTHER ORDERED that SBC shall retrieve such equipment from the Debtors within a reasonable time, with the costs of such retrieval to be borne by SBC.

It is FURTHER ORDERED that SBC shall file a claim for rejection damages, if any, relating to the executory contracts for the Designated Circuits that are rejected pursuant to this Agreed Order no later than sixty (60) days after the date of entry of this Agreed Order.

End of Agreed Order

AGREED TO BY:

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MICHIGAN BELL TELEPHONE COMPANY, THE OHIO BELL
TELEPHONE COMPANY, WISCONSIN BELL, INC., NEVADA BELL
TELEPHONE COMPANY, AND THE WOODBURY TELEPHONE COMPANY**