U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

The following constitutes the order of the Court.

Signed January 26, 2005.

United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
VARTEC TELECOM, INC., et al.,	§	**Case No. 04-81694-SAF-11**
	§	**(Jointly Administered)**
	§	
DEBTORS	§	**CHAPTER 11**

AGREED ORDER CONCERNING MOTION TO COMPEL VARTEC TELECOM, INC. TO ASSUME OR REJECT EXECUTORY CONTRACT AND FOR ADMINISTRATIVE CLAIMS

On January 26, 2005, the Court considered the Motion to Compel VarTec Telecom, Inc. to Assume or Reject Executory Contract and for Administrative Claims [Docket No. 421] ("Motion")[1] filed by Regulus Integrated Solutions, LLC ("Regulus"). Based on the Motion, objections thereto, and the agreement of Regulus and the above-referenced debtors and debtors in possession (collectively, the "Debtors"),[2] the Court

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

[2] The Debtors include VarTec Telecom, Inc., Excel Communications Marketing, Inc., Excel Management Services, Inc., Excel Products, Inc., Excel Telecommunications, Inc., Excel Telecommunications of Virginia, Inc., Excel Teleservices, Inc., Excelcom, Inc., Telco Communications Group, Inc., Telco Network

finds that the agreement of the parties should be approved as set forth herein. The Court further finds that adequate notice has been given and no other notice is necessary. It is therefore

ORDERED that VarTec may assume or reject the Service Agreement (after notice and a hearing) at any time before the confirmation of a plan. If the Service Agreement is assumed, VarTec shall provide adequate assurance of performance pursuant to 11 U.S.C. 365(b). It is further

ORDERED that in the event VarTec seeks to assume the Service Agreement, VarTec shall file a motion seeking to assume the Service Agreement to be set for hearing on not less than seven days notice at which time the Court shall determine, among other things, whether VarTec provides adequate assurance of future performance. It is further

ORDERED that prior to VarTec's assumption or rejection of the Service Agreement, VarTec is authorized and shall pay the undisputed portion of invoices on account of post-petition services (collectively, the "Invoices") provided to the Debtors by Regulus within ten days after the Debtors' receipt of an Invoice (the "Period") by facsimile to Rod Overlander at (972) 478-3551 or by email at roverlan@vartec.net with a copy to Timothy A. Biggio, Esq. at (972) 478-3301 or by email at tbiggio@vartec.net. If the Debtors dispute any portion of an Invoice, they shall inform Regulus of that dispute in writing before the expiration of the Period. If the Debtors dispute a portion of the Invoice (the "Dispute"), they are authorized and shall pay the undisputed portion of that Invoice before the expiration of the Period, and the Debtors and Regulus shall

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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

negotiate to resolve the Dispute. If the Debtors and Regulus are unable to resolve the Dispute within twenty days after the expiration of the Period, the Debtors or Regulus may file a motion with the Court to resolve the Dispute. Within ten days after the Dispute is resolved (whether by agreement or a final, non-appealable Court Order), the Debtors shall pay the amount agreed upon by the parties or ordered by the Court. It is further

ORDERED that if the Debtors do not pay the undisputed amount of the Invoice before the expiration of the Period, Regulus may file an expedited motion with the Court seeking to cease providing services under the Service Agreement pending the payment of the undisputed portion of the Invoice (the "Expedited Motion"); provided, however, the Debtors shall have at least ten days notice of the hearing on the Expedited Motion. It is further

ORDERED that Regulus shall be authorized to offset the prepetition arrearage under the Service Agreement in the amount of $193,521.47 (the "Prepetition Arrearage") against the deposit in the amount of $240,000 held by Regulus (the "Deposit") provided that the Debtors shall not be required to replenish the Deposit. It is further

ORDERED that the offset set forth in the previous paragraph shall be in full and final satisfaction of any prepetition arrearage currently existing under the Service Agreement.

END OF ORDER

AGREED TO AND ACCEPTED:

THOMPSON, COE, COUSINS & IRONS, LLP
701 Brazos, Suite 1500
Austin, Texas 78701
Tel: 512-703-5070
Fax: 512-708-8777

By: */s/ Kelle Masters*
James V. Hoeffner, SBT # 09772700
Kelle K. Masters, SBT # 24032495

ATTORNEYS FOR REGULUS INTEGRATED SOLUTIONS, LLC

VINSON & ELKINS L.L.P.
3700 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201-2975
Tel: 214-661-7299
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VarTec@velaw.com

By: */s/ Richard H. London*
Daniel C. Stewart, SBT # 19206500
William L. Wallander, SBT # 20780750
Richard H. London, SBT #24032678

ATTORNEYS FOR THE DEBTORS

Upon entry, return copy to:

Richard H. London
VINSON & ELKINS L.L.P.
3700 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201-2975
Tel: 214-661-7299
Fax: 214-220-7716
VarTec@velaw.com

ATTORNEYS FOR THE DEBTORS

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BAE SYSTEMS

Enterprise Systems Incorporated
11487 Sunset Hills Road
Reston, Virginia 20190-5234

CERTIFICATE OF SERVICE

District/off: 0539-3 User: jblanco Page 1 of 1 Date Rcvd: Jan 27, 2005
Case: 04-81694 Form ID: pdf012 Total Served: 2

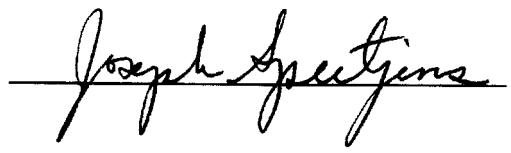
The following entities were served by first class mail on Jan 29, 2005.
aty +Kelle K. Masters, Thompson, Coe, Cousins & Irons, 701 Brazos, Suite 1500, Austin, TX 78701-3293
aty +Richard H. London, Vinson & Elkins, LLP, 3700 Trammell Crow Center, 2001 Ross Ave., Dallas, TX 75201-2998

The following entities were served by electronic transmission.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****
NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

First Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jan 29, 2005 **Signature:**