

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

The following constitutes the order of the Court.

Signed July 29, 2005

Hamlin DeWayne Hale
United States Bankruptcy Judge

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-SAF-11

(Chapter 11)
(Jointly Administered)

**ORDER (A) APPROVING THE SALE FREE AND CLEAR OF ALL LIENS,
CLAIMS, RIGHTS, INTERESTS AND ENCUMBRANCES TO COMTEL
INVESTMENTS LLC AND (B) GRANTING RELATED RELIEF
(SUBSTANTIALLY ALL OF THE DEBTORS' REMAINING ASSETS)**

On July 27, 2005, the Court considered the Motion for Authority to Sell Assets Free and Clear of All Liens, Claims, Rights, Interests, and Encumbrances and for Related Relief (Substantially All of the Debtors' Remaining Assets) [Docket No. 1399] (the "Sale Motion")¹ filed by the above-referenced debtors and debtors in possession (collectively, the "Debtors" or "Sellers").

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

Based on the Sale Motion, the evidence in support of the Sale Motion, and the arguments of counsel presented at the Sale Hearing; and all parties in interest having been heard, or having had the opportunity to be heard, regarding the Sale; it appearing that notice of the Sale Hearing has been provided to all parties who have made written expressions of interest in acquiring the Acquired Assets or the Business within three (3) months prior to the date hereof and the parties identified on the Debtors' Master Service List and the Debtors' consolidated creditors matrix (excluding the Debtors' former independent representatives), which lists, to the extent of the Debtors' books and records, include the following parties: the United States Trustee; the Rural Telephone Finance Cooperative; all counterparties to the prepetition Contracts; all Persons holding a Lien on any of the Acquired Assets; all Taxing Authorities that have jurisdiction over the Acquired Assets; the attorneys general of all states in which the Acquired Assets are located; the FCC and the applicable PUCs; all parties that provide telecom services to the Sellers pursuant to tariffs; and all other parties that have filed a notice of appearance and demand for service of papers in the Bankruptcy Cases under Bankruptcy Rule 2002 as of the date of the Sale Motion; and it appearing that such notice constitutes good and sufficient notice of the Sale Motion and Sale Hearing and that no other or further notice need be provided; the Bankruptcy Court finds that the relief requested in the Sale Motion is in the best interests of the Debtors' bankruptcy estates, and their creditors and interest holders. Accordingly, the Bankruptcy Court makes the following finds of fact and conclusions of law.²

² In accordance with Bankruptcy Rule 7052, when appropriate, all findings of fact shall be construed as conclusions of law, and all conclusions of law shall be construed as findings of fact.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. This Bankruptcy Court has jurisdiction over the Sale Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper in this Bankruptcy Court under 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding the provisions of Bankruptcy Rules 6004(g) and 6006(d), effective on August 1, 2005 at 12:00 p.m., Central time, there is no stay pursuant to Bankruptcy Rule 6004(g) or 6006(d) and this Order shall be effective and enforceable immediately at that time. To the extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Bankruptcy Court expressly finds that cause exists not to delay the implementation of this Order beyond that contained in this subsection.

C. The statutory predicates for the relief sought in the Sale Motion are Bankruptcy Code §§ 105(a), 363(b), (f), (m), and (n), and 365 and Bankruptcy Rules 2002, 6004, 6006, and 9014.

D. On June 30, 2005, after appropriate notice and hearing, this Bankruptcy Court entered the Order (A) Approving Sale Procedures and Bid Protections in Connection with Sale of Certain Acquired Assets; (B) Scheduling an Auction and Hearing to Consider Approval of the Sale; (C) Approving Notice Relating to Sale; and (D) Granting Related Relief (Sale of Substantially All of the Debtors' Remaining Assets) [Docket No. 1446] (the "Sale Procedures Order"). The Sale Procedures Order approved, among other things, the Sale Procedures to be used at the Auction and the payment of the Termination Fee.

E. On June 17, 2005, the Debtors filed the Sale Motion in which they seek, among other things, an order (i) approving the sale of the Acquired Assets to the Comtel Investments LLC (the “Buyer”) free and clear of (A) all Liens, claims, rights, interests, and encumbrances and (B) certain transfer taxes; and (ii) granting certain related relief, pursuant to the terms of the Asset Purchase Agreement dated July 25, 2005 (the “Agreement”) which represents the highest and best offer for the Business. A copy of the Agreement (with redacted schedules) was admitted into the record at the Sale Hearing (an unredacted copy of the schedules will be filed under seal in these cases).

F. Notice of the Sale Motion, the Sale Hearing, and the relief in this Order were served on all creditors, counterparties to the Debtors’ executory contracts as set forth on the various Schedules G filed by each of the Sellers, parties requesting notice, official committees and their counsel, and parties asserting liens, claims or encumbrances against any of the Debtors’ assets including any and all of the Acquired Assets. The Court finds the scope and manner of service proper, timely, adequate, and sufficient, in accordance with Bankruptcy Code §§ 105(a) and 363 and Bankruptcy Rules 2002, 2002(i), 6004, 6007, and 9014, and in compliance with the Sale Procedures Order. No further notice of the Sale Motion or the Sale Hearing is or shall be required. The Sale Hearing commenced and concluded on July 27, 2005, and no further notice of the Sale Hearing was necessary.

G. A reasonable opportunity to object or to be heard regarding the relief requested in the Sale Motion has been afforded to all creditors and parties in interest.

H. As demonstrated by the evidence in support of the Sale Motion, the Debtors and their financial advisors have marketed the Business and conducted the

sale process in compliance with the Sale Procedures Order and have completed a full and complete auction process.

I. At the Auction conducted by the Debtors on July 25, 2005, the Buyer offered and the Debtors accepted, the highest and best bid which is \$82,100,000.00 for the Business. The Buyer is approved as the Successful Bidder for the Business on the terms set forth in the Agreement.

J. The Debtors have conducted a fair, full and complete auction process.

K. The Debtors have full corporate power and authority to execute the Agreement and all other documents referenced in or contemplated by the Agreement or necessary or appropriate to effectuate the sale of the Business as contemplated under the Agreement.

L. All actions contemplated by the Agreement have been duly and validly authorized by all necessary corporate action of the Debtors and the Debtors have the full corporate power and authority to consummate the transactions contemplated by the Agreement. No further consents or approvals, other than entry of this Order, are required for the Debtors or the Buyer to consummate the transaction(s) contemplated in the Agreement.

M. Approval of the Agreement and consummation of the transaction(s) contemplated therein at this time are in the best interests of the Debtors, the Debtors' estates, their creditors and interest holders.

N. The Debtors have demonstrated both (i) good, sufficient, and sound business purpose and justification for the sale of the Business and (ii) compelling circumstances for approval of the sale transaction(s) contemplated in the Agreement pursuant to Bankruptcy Code §§ 363(b) and (f).

O. The Agreement was negotiated, proposed, and entered into by the Debtors and the Buyer, in good faith, without collusion, and was the result of arm's-length bargaining with the parties represented by independent counsel. The Agreement constitutes fair value for the Business. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the Agreement to be avoided under Bankruptcy Code § 363(n). The Buyer is not an "insider" of any of the Debtors, as that term is defined in Bankruptcy Code § 101.

P. The Buyer is a good faith purchaser of the Business under Bankruptcy Code § 363(m) and, as such, is entitled to all of the protections afforded thereby. The Buyer has acted in good faith within the meaning of Bankruptcy Code § 363(m) in closing the transactions contemplated by the Agreement and will rely on entry of the Order and this good faith determination in closing such transaction.

Q. The Agreement was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

R. The consideration provided by the Buyer for the Business (i) is fair and reasonable, (ii) is the highest and best offer for the Business after a thorough marketing process, and (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

S. The Debtors are authorized to sell the Business free and clear of all Liens (other than Permitted Liens), claims, rights, interests, and encumbrances of all parties because one or more of the standards set forth in Bankruptcy Code § 363(f) have been satisfied with respect to each such interest, provided that notwithstanding any provision

in the APA or this Order, the transfer of assets pursuant to the APA and this Order shall not have any impact on any rights of setoff and / or recoupment that are valid and enforceable under applicable bankruptcy or non-bankruptcy law. The transfer of the Acquired Assets to the Buyer will be a legal, valid, and effective transfer of the Acquired Assets, and will vest the Buyer with all rights, title, and interest in and to the Acquired Assets free and clear of all Liens (other than Permitted Liens), claims, rights, interests, and encumbrances, which have, or could have, been asserted by the Debtors or their creditors.

T. The Debtors' secured creditor, RTFC, has consented to the Sale. Any objection of a secured creditor or other holder of a Lien, claim, right, interest, or encumbrance that did timely object to the Sale and did not withdraw the objection is overruled as one or more of the other subsections of Bankruptcy Code § 363(f) is met with respect to such party, and in each case, such party is adequately protected by having its interest, if any, in the Acquired Assets, attach to the proceeds of the Sale of the Acquired Assets with the same validity and priority as its interest, if any, presently has in the Acquired Assets.

U. There is no legal or equitable reason to delay the transactions contemplated in the Agreement. Except as set forth below, cause exists not to apply the automatic ten (10) day stay imposed by Bankruptcy Rules 6004(g) and 6006(d).

BASED ON THE FOREGOING FINDINGS, GOOD CAUSE EXISTS FOR ENTRY OF THE FOLLOWING ORDER. IT IS THEREFORE ORDERED:

1. The notice of the Sale Motion and the notice of the Sale Hearing are approved as being fair, reasonable and adequate under the circumstances of the

Bankruptcy Cases, and any additional notice as may otherwise be required under state and federal law is hereby deemed satisfied.

2. The Sale Motion is granted and the Sale of the Business to the Buyer is hereby authorized as set forth in this Order.

3. In exchange for and reliance upon the stipulations announced on the record of the Sale Hearing, the objections to the Sale Motion, filed by (i) the operating telephone company subsidiaries of Verizon Communications Inc., (ii) BellSouth Telecommunications, Inc., and (iii) 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; shall be deemed withdrawn. All objections to the Sale Motion that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits.

4. The Buyer has complied with the Sale Procedures Order and is the Successful Bidder for the Business on the terms and conditions set forth in the Agreement.

Approval of the Agreement

5. The Agreement, all exhibits and schedules thereto, and all of the terms and conditions thereof are hereby approved.

6. Pursuant to Bankruptcy Code §§ 363(b) and (f), the Debtors are authorized and directed to consummate the Sale, pursuant to and in accordance with the terms and conditions of the Agreement.

7. Without need for any additional Bankruptcy Court order, the Debtors, their officers, directors, employees and agents, are authorized and directed to execute and deliver, and empowered to perform under, consummate, and implement the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement, and to take all further actions as may be reasonably requested by the Buyer, or otherwise required under the Agreement. The Agreement is a binding obligation on each of the Debtor signatories thereto.

8. The consideration provided by the Buyer for the Acquired Assets under the Agreement constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and any other applicable state, federal or international law.

9. So long as the Agreement has not been terminated in accordance with its terms, the Debtors shall not be entitled to consider or accept an Alternative Transaction.

Transfer of the Acquired Assets

10. Pursuant to Bankruptcy Code §§ 105(a), 363(b) and 363(f), the transfers of the Acquired Assets to the Buyer pursuant to the Agreement shall vest the Buyer with all rights, title, and interest in and to the Acquired Assets effective as of the time of the transfers under the Agreement and shall be free and clear of all Liens (other than Permitted Liens), claims, rights, interest, and encumbrances, which have, or could have, been asserted by the Debtors or their creditors in connection with the Debtors' Bankruptcy Cases, if any, with any claims, liens, encumbrances, and interests against the Acquired Assets attaching to the proceeds of the Sale (the "Proceeds") with the same force, validity, priority and effect, if any, as the claims, liens, encumbrances, and interests formerly had against the Acquired Assets, if any, subject to the Debtors' ability to challenge the extent, validity, priority and effect of the claims, Liens, encumbrances,

and interests and subject to and as otherwise provided in any other order of this Court in these Cases. The Proceeds from the Sale shall be paid to the Sellers on the Closing Date and the Final Closing Date, as applicable, and the Net Proceeds (as defined in the First Amended and Restated Credit Agreement dated as of October 7, 2004, as amended ("DIPFA")) shall then be transferred by the Sellers to the RTFC and provisionally applied by the RTFC, all in accordance with the terms and provisions of DIPFA, as approved in the Final Order Authorizing Post-Petition Financing, Granting Senior Liens and Priority Administrative Expense Status, Authorizing Use of Cash Collateral and Modifying the Automatic Stay, which was entered on January 12, 2005 (the "DIP Financing Order"), 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 same.

11. This Order shall be the Bankruptcy Court's determination that, on the Closing Date with respect to the Transferred Assets, and on the Final Closing Date with respect to the Non-Transferred Assets, all Liens (other than the Permitted Liens), claims, rights, interests and encumbrances in and to the Acquired Assets being conveyed as described in the Agreement have been unconditionally released, discharged, and terminated from the Acquired Assets, provided that notwithstanding any provision in the APA or this Order, the transfer of assets pursuant to the APA and this Order shall not have any impact on any rights of setoff and / or recoupment that are valid and enforceable under applicable bankruptcy or non-bankruptcy law.

12. The Buyer shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Acquired Assets other than as expressly set forth in the Agreement and in no event shall the Buyer have any liability or responsibility for any Excluded Liabilities (including any unrecorded liabilities of the Debtors). Without limiting the effect or scope of the foregoing, the transfer of the Acquired Assets from the Debtors to the Buyer does not and will not subject the Buyer or its affiliates, successors or assigns or their respective properties (including the Acquired Assets) to any liability for claims (as that term is defined in Bankruptcy Code § 101(5)) against the Debtors or the Acquired Assets by reason of such transfer under the laws of the United States or any state, territory or possession thereof applicable to such transactions. Neither the Buyer nor its affiliates, successors, or assigns shall be deemed, as a result of actions taken in connection with the purchase of the Business: (i) to be a successor to the Debtors or (ii) be a continuation or substantial continuation of the Debtors or any enterprise of the Debtors. Neither the Buyer nor its affiliates, successors, or assigns is acquiring or assuming any liability, warranty, or other obligation of the Debtors, including, without limitation, any tax incurred but unpaid by the Debtors prior to the Closing Date with respect to the Transferred Assets and to the Final Closing Date with respect to the Non-Transferred Assets (except as expressly set forth in the Agreement), any fine or penalty relating to a tax, or any addition to a tax, whether or not previously assessed, fixed or audited, whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction (except as otherwise expressly provided in the Agreement). On and after the Closing Date with respect to the Transferred Assets and after the Final Closing Date with respect to the Non-Transferred Assets, all persons or entities holding Liens of any

ORDER (A) APPROVING THE SALE FREE AND CLEAR OF ALL LIENS, CLAIMS, RIGHTS, INTERESTS AND ENCUMBRANCES TO COMTEL INVESTMENTS LLC AND (B) GRANTING RELATED RELIEF (SUBSTANTIALLY ALL OF THE DEBTORS' REMAINING ASSETS)

kind and nature with respect to the Acquired Assets (other than Liens which secure or are related to any Assumed Liability) shall be barred from asserting such Liens against the Buyer, its successors or assigns, or the Acquired Assets.

13. On and after the Closing Date with respect to the Transferred Assets and on and after the Final Closing Date with respect to the Non-Transferred Assets, the Sellers shall have no liability or responsibility for any Assumed Liabilities.

14. The process set forth in the Agreement and other related documents for obtaining all approvals, consents (including assignments of any permits and rights of way), certificates, waivers, and other authorizations required to be obtained from, or filings or other notices required to be made with or to, any Governmental Entity) having jurisdiction over any of the Acquired Assets in order to consummate the transactions contemplated by the Agreement and the other related transaction documents and the transfer of such Acquired Assets to the Buyer upon the receipt of such approvals is hereby approved pursuant to Bankruptcy Code §§ 105, 363 and 365.

Assumption and Assignment of Assumed Contracts to the Buyer

15. From time to time, Buyer shall designate in writing to Parent those Contracts which Buyer desires to have assumed by Sellers and assigned to Buyer by Sellers, which designation shall include the maximum Cure Cost for each such assumed contract or lease (the "Designation"). In the event that any contract or lease designated by Buyer is not assumable on the terms and conditions set forth in the Designation, then at Buyer's sole option, such contract or lease shall not be assumed. Promptly after receiving a Designation, Sellers shall file a motion to assume and assign the contracts and leases identified in such Designation and shall use reasonable efforts to obtain the approval of such motion. If any such contract or lease is required to be

either assumed or rejected by any Seller prior to the Final Closing, Sellers shall notify Buyer of such fact and, if Sellers shall assume such contract or lease at the request of Buyer, Buyer immediately shall assume, be liable for, and make payment of all associated cure costs, and all other claims, debts and obligations arising under such assumed contract or lease; further, Buyer shall fully indemnify Sellers on account of such cure costs, claims, debts and obligations. If Buyer shall not perform as required in this paragraph to effectuate the requested assignment, Sellers may reject such contract or lease and shall incur no liability or obligation on account of such assumption pending such performance of Buyer as required hereunder to effectuate such assignment.

PARs Provisions

16. All PARs related to any ILEC with which Buyer enters into a material commercial relationship (by assumption or otherwise) for the Business prior to the Final Closing Date, together with all PARs related to billing and collection agreements that are Assumed Contracts as of the Final Closing Date, shall be "Acquired PARs". Acquired PARs shall be an Acquired Asset as of the Final Closing and Buyer shall be free to dispose of Acquired PARs in any manner, including in settlement, compromise or other arrangement with the relevant ILEC. All PARs that are not Acquired PARs shall be "Retained PARs". Sellers shall fund any litigation with the ILECs from the Funding Account (as defined in the Management Services Agreement) until the Final Closing Date. Such litigation shall be at the Manager's direction in accordance with the Management Services Agreement.

Additional Provisions

17. RTFC and Buyer have indicated that Buyer will purchase a 100% participation (the "Participation") in the existing debtor in possession financing **ORDER (A) APPROVING THE SALE FREE AND CLEAR OF ALL LIENS, CLAIMS, RIGHTS, INTERESTS AND ENCUMBRANCES TO COMTEL INVESTMENTS LLC AND (B) GRANTING RELATED RELIEF (SUBSTANTIALLY ALL OF THE DEBTORS' REMAINING ASSETS)**

previously approved by this Court (the "DIP Financing"). Future advances under the Participation shall be used solely for Business Expenses (as defined in the Agreement). Buyer and RTFC agree that, so long as the RTFC interest in the DIP Financing has been satisfied through the Participation, (i) only a default in payment shall be a default under the DIP Financing, (ii) Debtors will be entitled to written notice of any default under the DIP Financing and five business days opportunity to cure same, and (iii) Debtors shall be entitled to seek additional relief from this Court as may be appropriate on an expedited basis. RTFC, Buyer and the Debtors further agree that within 30 days after the purchase of the Participation, unless extended in writing by the Buyer, Debtors and the RTFC (the "Participation Period"), the Buyer and the Debtors intend to enter into a replacement debtor in possession financing facility as contemplated in the Agreement. The expiration of the Participation Period shall not entitle Buyer to pursue rights and remedies against the Debtors and the Debtors may seek such relief from this Court in the event of same to effectuate the debtor in possession financing facility as contemplated in the Agreement.

18. Nothing in this Order shall (a) affect Billing Concepts Inc.'s ("Billing Concepts") rights under the Billing and Information Management Services Agreements dated September 1, 2004 between Billing Concepts and the Debtor (collectively, the "BCI Agreements"), that were assumed by the Debtor pursuant to an order entered on February 25, 2005; (b) require Billing Concepts to make any changes in its normal course of operating under the Billing Agreements or in the accounting for payments, which are not considered PARs under this transaction or this Order; or (c) constitute an assignment of the BCI Agreements on fifteen days notice to Billing Concepts.

19. Buyer, as the Successful Bidder of the Acquired Assets, shall be responsible for and timely pay, as of the Final Closing Date, all universal service fund contribution obligations ("USF Obligations") relating to telecommunications services provided by Debtors post-Petition Date, including, without limitation, any and all USF Obligations resulting from the true-up of telecommunications reporting worksheets ("Worksheets") submitted thereafter by Buyer or by Debtors relating to such telecommunications services provided post-Petition Date. Similarly, Debtors shall be responsible for and timely pay, as permitted by the Bankruptcy Code, all USF Obligations relating to telecommunications services provided by Debtors pre-Petition Date, including, without limitation, any and all USF Obligations resulting from the true-up of Worksheets submitted by Debtors or by Buyer relating to such telecommunications services provided pre-Petition Date. Both Debtors and Buyer shall timely comply with all reporting obligations required by the FCC and applicable Regulations relating to telecommunications services provided post-Closing Date.

20. Any amounts payable by the Debtors to the Buyer pursuant to the Agreement or any of the documents delivered by the Debtors pursuant to or in connection with the Agreement shall (i) constitute administrative expenses of the Debtors' estates pursuant to Bankruptcy Code §§ 503(b) and 507(a)(1), except as otherwise specifically provided in the Agreement, (ii) be paid by the Sellers in the time and manner provided in the Agreement without further order of this Bankruptcy Court, and (iii) not be discharged, modified, or otherwise affected by any plan of reorganization of any of the Debtors, the conversion of these cases to one or more cases under chapter 7 of title 11 or the appointment of a trustee under section 701, 702, 703 or 1104 of title 11.

21. On the Closing Date with respect to the Transferred Assets and on the Final Closing Date with respect to the Non-Transferred Assets, each of the Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be necessary to release its interest in the Acquired Assets, if any, as such interests may have been recorded or may otherwise exist.

22. Regardless of whether the Debtors' creditors execute the releases set forth in the above paragraphs, this Order (a) shall be effective as a determination that, on the Closing Date with respect to the Transferred Assets and on the Final Closing Date with respect to the Non-Transferred Assets, all Liens, claims, security interests, rights, interests and encumbrances of any kind or nature whatsoever existing with respect to the Debtors and the Acquired Assets prior to the Closing Date with respect to the Transferred Assets and to the Final Closing Date with respect to the Non-Transferred Assets have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected and (b) shall be binding upon and shall govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Acquired Assets.

23. Each and every federal, state, and local governmental agency or department is hereby directed to accept for filing and/or recording, and approve as

necessary, any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

24. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing claims or interests with respect to the Debtors or the Acquired Assets shall not have delivered to the Debtors prior to the Closing Date with respect to the Transferred Assets and to the Final Closing Date with respect to the Non-Transferred Assets, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests which the person or entity has with respect to the Debtors or the Acquired Assets or otherwise, then (a) the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets and (b) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens, claims, rights, interests and encumbrances in the Acquired Assets of any kind or nature whatsoever.

25. All entities that presently are in possession of some or all the Acquired Assets hereby are directed to surrender possession of the Acquired Assets to the Buyer at the Closing Date with respect to the Transferred Assets and at the Final Closing Date with respect to the Non-Transferred Assets.

26. Unless Buyer breaches the Agreement, neither the Debtors nor their representatives shall initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any Person in connection with any inquiry, proposal, offer, sale or other disposition related to any or all of the Acquired Assets.

27. This Bankruptcy Court retains exclusive jurisdiction so long as the Debtors bankruptcy cases are pending to (i) enforce and implement the terms and provisions of the Agreement (including the breach of the Agreement), all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith in all respects and (ii) determine as a core proceeding (by motion and without necessity for an adversary proceeding if the Court deems appropriate) any proceeding, dispute, or controversy arising out of or related to this Order and the Sale Hearing.

28. The transaction contemplated by the Agreement is undertaken by the Buyer in good faith, as that term is used in Bankruptcy Code § 363(m). Accordingly, the reversal or modification of the authorization provided herein to consummate the transaction(s) contemplated herein shall not affect the validity of the sale of the Business to the Buyer, unless such authorization is duly stayed. The Buyer is a purchaser in good faith of the Acquired Assets and, upon the occurrence of the Early Funding Date, is entitled to all of the protections afforded by Bankruptcy Code § 363(m).

29. Nothing contained in any chapter 11 plan confirmed in these Bankruptcy Cases (or any order of this Bankruptcy Court confirming such plan) shall conflict with or derogate from the provisions of the Agreement or the terms of this Order, provided that the retention of jurisdiction under this Order following confirmation of such plan shall not be broader than jurisdiction permitted to be retained under an order of confirmation.

30. The terms and conditions of the Agreement and this Order shall be binding in all respects and shall inure to the benefit of the Debtors, their respective bankruptcy estates and their creditors and interest holders, successors, and assigns and the Buyer, and its respective affiliates, successors and assigns notwithstanding any

subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall binding.

31. The Agreement and the transactions and instruments contemplated hereby shall be specifically performable and enforceable against and binding upon, and not subject to rejection or avoidance by, the Debtors, and their respective affiliates, successors, and assigns, or any chapter 7 or chapter 11 trustee of the Debtors and their estates.

32. The failure specifically to include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Bankruptcy Court that the Agreement be authorized and approved in its entirety.

33. The Agreement and any related agreements, documents or other instruments may be modified, amended, or supplemented by the parties thereto, in a writing signed by both parties, and in accordance with the terms thereof, without further order of the Bankruptcy Court, provided that such modification, amendment, or supplement shall not have a material adverse effect on the Debtors' bankruptcy estates.

34. Notwithstanding the provisions of Bankruptcy Rules 6004(g) and 6006(d), effective on August 1, 2005 at 12:00 p.m., Central time, there is no stay pursuant to Bankruptcy Rule 6004(g) or 6006(d) and this Order shall be effective and enforceable immediately at that time.

35. The Bankruptcy Court reserves the right to make additional findings of fact and conclusions of law.

END OF ORDER

Upon entry, return copy to:

William L. Wallander
TX State Bar #20780750
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ATTORNEYS FOR THE DEBTORS

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