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**Jointly Administered Under
CASE NO. 02-32105-H5-11**

Logix Communications Corporation ("LCC") and Logix Communications Enterprises ("LCE"), Inc. as debtors and debtors-in-possession herein (collectively, the "Debtors"), and Tellabs Operations, Inc. ("Tellabs"), filed a Joint Motion to Approve Stipulation in lieu of Reclamation. An objection was raised by the creditors committees of LCC and LCE. The parties have agreed to settlement of the issues and file this Agreed Order in Lieu of Reclamation. The Court finds that the Debtors have provided proper notice of the Joint Motion to all parties in interest. Based on the agreements and stipulations of the parties the Court hereby ORDERS:

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1. The Debtor shall, within three business days of the entry of this Order, irrevocably pay to Tellabs in immediately available funds, the amount of \$411,676.29 representing one half of what is owed for equipment delivered to the Debtor's Houston facility and more particularly described in Exhibit "A" to the Joint Motion to Approve Stipulation in lieu of Reclamation. (the "Houston Equipment") The Debtor shall, within three (3) business days of the entry of this Order, irrevocably pay to Tellabs in immediately available funds the amount of \$123,211.08, representing the installation fee for the Houston Equipment-.

2. The remaining one half of the amount owed for the Houston Equipment, equaling \$411,676.29 (the "Remaining Reclamation Claim"), shall be paid to Tellabs immediately upon (a) the entry of a final order approving the sale of the Houston Equipment, (b) upon confirmation of the Debtor's Plan of Reorganization, or (c) upon entry of an order converting this case into a Chapter 7 matter or dismissing the case or appointment of a Chapter 11 trustee, whichever is earliest. The Debtor shall abide by all terms and conditions of any Software License Agreement applicable to the Houston Equipment, including but not limited to payment of any applicable software license transfer fees.

3. Tellabs is hereby granted a post-petition perfected first priority lien against the Houston Equipment to secure the Remaining Reclamation Claim. LCC shall segregate, in a separate bank account, \$411,676.29 of the proceeds of insurance (the "Insurance Fund") due to water damage from a general liability insurance policy, under which the carrier, Chubb Insurance Co. has paid LCC an amount equal to \$1,400,000.00, as the insured party under the general liability policy. Tellabs is hereby granted a perfected first priority lien in the Insurance Fund to secure the Remaining Reclamation Claim, and such Insurance Fund shall be used solely for the purpose of paying the Remaining Reclamation Claim until such time as the Remaining

Reclamation Claim is paid in full, except as provided by further Court Order after granting Tellabs replacement liens or other adequate protection pursuant to paragraph 4 below, after notice and hearing.

4. Should the Houston Equipment (or the proceeds thereof) and the Insurance Fund be insufficient to cover the Remaining Reclamation Claim owing to Tellabs, Tellabs shall be entitled to replacement liens or other adequate protection of its lien for payment of the Remaining Reclamation Claim upon further Order of this Court; *provided, however*, this Order shall not authorize the granting of any liens on the assets of LCE.

5. Tellabs shall not have an allowable claim for interest and attorneys fees arising by virtue of the granting of the liens herein, but Tellabs may pursue allowance of attorneys' fees and interest based upon any subsequent events as allowed by law or further Order of this Court.

6. Dobson CC Limited Partnership ("Dobson") shall subordinate to Tellabs' liens and interest granted herein any claims or liens of Dobson against the Insurance Fund and the Houston Equipment.

7. As additional adequate protection of its lien to secure the Remaining Reclamation Claim, Tellabs shall be paid \$40,000.00 per month commencing upon complete installation of the Houston Equipment, such that it can carry live traffic. The first month shall be prorated for the portion of the month for which the Houston Equipment is operational and shall continue to be paid on the first of the month for each month thereafter until paid. These adequate protection payments shall apply to the principal of the Remaining Reclamation Claim until paid.

8. Tellabs shall promptly commence installation of the Houston Equipment. Debtor shall have no right to use the Houston Equipment or software associated therewith if this Order

does not become a final, non-appealable order within ten (10) days of the entry of this Order unless otherwise agreed in writing by Tellabs.

9. Based upon LCE's representation and warranty that LCE has no interest in either the Houston Equipment not in the Insurance Fund, nothing in this Order shall create any obligations or liabilities for LCE.

ENTERED this the 10 day of May, 2002



UNITED STATES BANKRUPTCY JUDGE

REVIEWED AND AGREED TO:

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