

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
GALVESTON DIVISION**

IN RE:	§	
	§	
EAGLE BROADBAND, INC.,	§	CASE NO. 07-80605
	§	
ATLANTIC PACIFIC COMMUNICATIONS, INC.	§	CASE NO. 07-80606
CLEARWORKS COMMUNICATIONS, INC.	§	CASE NO. 07-80607
	§	
CLEARWORKS HOME SYSTEMS, INC.	§	CASE NO. 07-80608
	§	
CLEARWORKS.NET INC.	§	CASE NO. 07-80609
	§	
DSS SECURITY D/B/A EAGLE BROADBAND SECURITY	§	CASE NO. 07-80610
	§	
EAGLE BROADBAND SERVICES, INC.	§	CASE NO. 07-80611
	§	
ETOOLZ, INC.	§	CASE NO. 07-80612
	§	
LINK-TWO COMMUNICATIONS, INC.	§	CASE NO. 07-80613
	§	
NORTHPOINTE TELECOM SERVICES, LLC	§	CASE NO. 07-80614
	§	
UCGI CORPORATION	§	CASE NO. 07-80615
	§	
UNITED COMPUTING GROUP, INC.	§	CASE NO. 07-80616
	§	
Debtors.	§	CHAPTER 11
	§	
	§	JOINT ADMINISTRATION REQUESTED
	§	

**ADMINISTRATIVE ORDER UNDER 11 U.S.C. §§ 105(a) AND 331
ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES OF PROFESSIONALS**

Upon consideration of the Motion for Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of

Professionals (the “Motion”) filed by the Debtors, seeking entry of an order to establish procedures for interim compensation and reimbursement of expenses of professions specifically retained by order of this Court; and it appearing that this Court has jurisdiction to consider this matter; and it appearing that granting the relief requested in the Motion is in the best interests of the Debtors, their estates, and the creditors; and due and proper notice of the Motion having been given to all parties on the master service list maintained in these cases; and it appearing that, because of the nature of the relief requested, no other or further notice need be given; and sufficient cause appearing therefore, it is

ORDERED that, except as the Court may otherwise order, each professional whose retention in these chapter 11 cases has been approved by the Court (“Professional”) may seek interim compensation for services and reimbursement of expenses in accordance with the following procedures:

1. Payment of compensation and reimbursement of the Professional on a monthly basis shall be structured as follows:

a. Every 20th day of each calendar month following the month for which compensation and/or reimbursement is sought (the “Statement Due Date”), and pending Court approval thereof under paragraph 2 below, each Professional seeking the interim payment of fees and reimbursement of expenses may:

i. Submit an itemized monthly fee and expense statement (“Monthly Statement”) in compliance with the provisions of subparagraph 1(b) below setting forth the fees and expenses for which the payment is sought for the preceding month, with supporting detail; and

ii. Serve a copy of such Monthly Statement on the Debtors, bankruptcy counsel for the Debtors, counsel for the Committee of Unsecured Creditors, and the United States Trustee (collectively, the “Fee Parties”).

b. Each Monthly Statement shall include, as an exhibit, time records that itemize services. Monthly Statements must be actually received by bankruptcy counsel for the Debtor on or before the Statement Due Date. Any Monthly Statement received after the Statement Due Date shall be deemed served on the Statement Due Date the following month.

c. The Fee Parties shall have ten (10) days from the Statement Due Date to review the Monthly Statements. Any objections shall be served on the Fee Parties and the affected Professional or Committee Member no later than ten (10) days from the Statement Due Date; provided however, that all objections must be received by the Debtors’ bankruptcy counsel by the close of business on the 10th day following the Statement Due Date (the “Objection Deadline”). After such review, and except as provided in subparagraph 1(d) below, the Debtors shall pay in the ordinary course of business (typically, within ten (10) days from the Objection Deadline):

- i. Eighty percent (80%) of the fees requested by a Professional; and
- ii. One Hundred percent (100%) of the expenses requested by a Professional or by a Committee Member

d. In the event that there are objections to any Monthly Statement submitted by a Professional, the objecting Fee Party shall, on or before the Objection Deadline, notify the Fee Parties and the affected Professional in writing of such objection. The objection shall specify in detail the nature and basis of the objection. Pending resolution

of such objection, the Debtors shall promptly pay to the Professional, as to fees, the amount requested in the particular Monthly Statement less the greater of (i) the amount in dispute or (ii) the twenty percent holdback provided in subparagraph 1(c)(i) above and, as to expenses, the amount requested less the amount in dispute. The Professional and the objecting Fee Party shall endeavor to amicably resolve any objection within five (5) days after the Objection Deadline. If a resolution cannot be reached in that period, the Professional may request that the Court resolve the dispute at the next regularly scheduled fee application hearing. The failure of any Fee Party (or other interested party with standing to object) to object to the payment of any Monthly Statement within the ten (10) day period set forth above shall not be deemed to constitute a waiver of that party's right to object to any interim or final fee application filed by any Professional or preclude any disgorgement of any fees paid.

e. The initial Monthly Statement shall be submitted and served in accordance with this paragraph on or before December 20, 2007, and shall cover the period from the later of (i) the Debtors' date of petition ("Petition Date") or (ii) the effective date of approval of the Professional's retention by the Court until November 30, 2007. Thereafter, each Monthly Statement shall be submitted and served in accordance with the terms set out above.

f. Each Professional shall have a continuing obligation to disclose any matter that may affect qualification for court-approved employment under the Bankruptcy Code or disqualification from employment under any relevant ethical consideration. All rights with respect to disqualification from employment are reserved and to the extent the Motion sought to modify such rights, that portion of the Motion is denied.

2. All interim applications for approval of compensation and reimbursement of expenses shall be subject to the following requirements and procedures:

a. All interim fee applications shall cover the same uniform time periods. The first uniform period for interim fee applications shall be the period from the Petition Date through December 31, 2007. Thereafter, the subsequent uniform periods shall cover each successive four-calendar-month period thereafter.

b. To be considered on an interim basis, an application must be timely filed and served within forty-five (45) days of the close of each interim fee period (the "Application Filing Period").

c. Regardless of the date on which an interim fee application is filed, all objections to interim fee applications must be filed within twenty-three (23) days of the interim fee application.

d. Hearings on interim fee applications will be held on the next preset hearing date following the day on which objections were due.

3. Notice of hearings to consider interim applications for compensation and reimbursement filed by a Professional shall be limited to all parties on the master service list maintained in these cases.

The procedures outlined above shall not apply to professionals retained in the ordinary course of the Debtors' business or to accountants, financial advisors, and other special counsel for the Debtors for whom the Court enters other orders governing compensation.

Signed this ____ day of _____ 2007.

HONORABLE LETITIA Z. CLARK
UNITED STATES BANKRUPTCY JUDGE

PROPOSED & SUBMITTED BY:

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