


UNITED STATES BANKRUPTCY COURT <u>SOUTHERN</u> DISTRICT OF <u>NEW YORK</u>		PROOF OF CLAIM
Name of Debtor ALLEGIANCE TELECOM		Case Number 03-13057
REC'D AUG 14 2003		
NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request for payment of an administrative expense may be filed pursuant to 11 USC § 503		
Name of Creditor (The person or other entity to whom the debtor owes money or property) MARLIN LEASING CORP / AQUA PERFECT		<input type="checkbox"/> Check box if you are aware that anyone else has filed a claim relating to your claim. Attach a copy of statement giving particulars. <input type="checkbox"/> Check box if you have never received any notices from the bankruptcy court in this case. <input checked="" type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court.
Name and address where notices should be sent Kelly A McCarthy, Bankruptcy Administrator 124 Gaither Drive, Suite 170 Mount Laurel, NJ 08054 Telephone number (888) 479-9111		FILED U.S. B.C. SOUTHERN DISTRICT OF NEW YORK ALLEGIANCE TELECOM, INC 03-13057 (RRD) 298 THIS SPACE IS FOR COURT USE ONLY
Account or other number by which creditor identifies debtor 002-0089620-001		Check here <input type="checkbox"/> replaces a previously filed claim, dated _____ <input type="checkbox"/> amends
1 Basis for Claim <input type="checkbox"/> Goods sold <input type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Taxes <input checked="" type="checkbox"/> Other <u>Water Cooler Lease</u>		<input type="checkbox"/> Retiree benefits as defined in 11 USC § 1114(a) <input type="checkbox"/> Wages, salaries, and compensation (fill out below) Your SS # _____ Unpaid compensation for services performed from _____ to _____ (date) (date)
2 Date debt was incurred <u>5/1/01</u>		3 If court judgment, date obtained
4 Total Amount of Claim at Time Case Filed \$ <u>572.68</u> If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.		
5 Secured Claim <input type="checkbox"/> Check this box if your claim is secured by collateral (including a right of setoff) Brief Description of Collateral <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Collateral \$ _____ Amount of arrearage and other charges at time case filed included in secured claim if any \$ _____		6 Unsecured Priority Claim <input type="checkbox"/> Check this box if you have an unsecured priority claim Amount entitled to priority \$ _____ Specify the priority of the claim <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,650)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier. 11 USC § 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan. 11 USC § 507(a)(4) <input type="checkbox"/> Up to \$2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 USC § 507(a)(6) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child. 11 USC § 507(a)(7) <input type="checkbox"/> Taxes or penalties owed to governmental unit. 11 USC § 507(a)(8) <input type="checkbox"/> Other. Specify applicable paragraph of 11 USC § 507(a)(____). *Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
7 Credits The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.		THIS SPACE IS FOR COURT USE ONLY
8 Supporting Documents Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.		RECEIVED AUG - 8 2003 U.S. BANKRUPTCY COURT, SOUTHERN DISTRICT OF NEW YORK
9 Date-Stamped Copy To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.		
Date 8/4/03	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any). <i>Kelly A McCarthy</i> Kelly A McCarthy, Bankruptcy Administrator	
Allegiance Claim  00313		
Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 11 USC §§ 152 and 3571		

Vendor

AquaPerfect

AquaPerfect of Sacramento Valley, Inc

Vendor Address

5045 College Oak Dr, Suite J
Sacramento CA 95841-4629
Ph 916-331-2782

P O Box 41883
Sacramento, CA 95841-0883
Fax 916-331-4559

Customer

002-0089620-001

Customer (Billing Address if Different)

Legal Name Allegiance Telecom
Type of entity Corp LLC Partnership Prop
Address 10995 Gold Garter Dr # 100
City Riverdale California
State CA Zip 95670
Contact Person MIKE FITZGERALD

Address 9201 NORTH Central Express Way
City Dallas
State TEXAS Zip 75231-5916
Tax Exempt No Yes (attach certificate)
Phone 916 858-8129 Fax 916-858-8199

Terms and Payment Schedule

Number of Months 36	Monthly Payments \$ 50	Payment Due \$ 4
(Payments do not include applicable tax)		Billed <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly
		Terms Continued on Page

Equipment (Attach additional sheet if necessary)

Quantity	Model
1	IMMOWAVE LWF

Quantity	Model

Special Instructions include full service all parts & labor

RENTAL AGREEMENT The Customer agrees to rent from Vendor the equipment listed above. The Customer agrees to all terms and conditions contained in this Rental Agreement. The Customer agrees this Rental Agreement is for the rental term indicated above and cannot be cancelled for any reason.

Authorized Signer The person signing this agreement on behalf of the Customer specifically represents they have the authority to do so.

Company's Full Legal Name Allegiance

Authorized Signer (Please Print) Michael Fitzgerald Title FM

Authorized SIGNATURE [Signature] Date 4/17/01

A Vendor's representative's signature below indicates Vendor's acceptance of this rental.

[Signature] Date _____

Acceptance of Vendor

GUARANTY I guaranty that the Customer will make all rental payments and pay other charges required under the rental agreement when they are due, and the Customer will perform all the obligations under the rental fully and promptly. I also agree that Vendor need not notify me of any default under the rental and, in the event of default, I will pay all amounts due and perform all other obligations arising under the terms of the rental agreement. In addition, I will reimburse Vendor for any costs or attorney fees incurred in enforcing their rights.

SIGNATURE _____ Name (Please Print) _____

Home Address _____ City _____ State _____ Zip _____

Home Phone _____ SS# _____

Acceptance of Delivery
I am authorized to sign this certificate on behalf of the Customer. I certify that the equipment has been delivered and is fully installed and working properly. I hereby authorize the commencement of the rental.

Authorized Signature [Signature] Equipment Delivery Date 4/17/01

Name and Title (Please Print) Michael Fitzgerald

RENTAL AGREEMENT TERMS AND CONDITIONS

1 OWNERSHIP OF EQUIPMENT AquaPerfect of Sacramento Valley Inc (Vendor) is the sole owner and titleholder to the Equipment. This Agreement constitutes a lease or bailment and not a sale or the creation of a security interest. Customer shall not have or at any time acquire any right, title or interest in the Equipment except the right to possession and use as provided in this Agreement.

2 RENT Monthly payments will begin on the contract date or delivery date whichever is later. The Customer agrees to pay Vendor the rental payment when due. If a payment is more than ten (10) days late the Customer agrees to pay a late fee of five percent (5%) or Five Dollars (\$5.00) (whichever is greater) on the overdue amount. Customer also agrees to pay Twenty Five Dollars (\$25.00) for each check that the bank returns for insufficient funds or any other reason. Vendor shall have the right to increase the rent upon the renewal or extension of this Agreement. Vendor shall notify Customer of the rental increase forty five (45) days before the expiration of the Initial Term. The monthly rental shall not be increased more than five percent (5%).

3 TAXES AND FEES This is a net rental. Customer agrees to pay on or before their due dates all sales taxes, use taxes, personal property taxes, business personal property taxes and assessments or other direct taxes or governmental charges imposed on the property or levied against or based on the amount of rent to be paid under this Agreement or assessed in connection with this Agreement, even if billed after the end of the rental period. Customer shall promptly notify Vendor and send Vendor copies of any notices, reports and inquiries from taxing authorities concerning delinquent taxes, fees or other charges received or assessments received by Customer. Customer shall be liable for any taxes for licenses, registrations, permits and other certificates as may be required for the lawful operation of the Equipment. If any taxing authority requires that a tax be paid to the taxing authority directly by Vendor, Customer shall on notice from vendor pay to Vendor the amount of the tax together with the next rental installment. Vendor has the option to estimate all such taxes due for the year and bill the Customer monthly on the basis of the estimate.

4 UCC FILINGS The Customer authorizes, appoints and empowers Vendor and its assignees as its true and lawful attorney in fact to prepare, execute in Customer's name and file at Customer's cost any and all documents Vendor or its assignees deem appropriate or desirable in connection with the Uniform Commercial Code, including but not limited to UCC financing statements. The Customer authorizes Vendor to insert the serial number(s) of the Equipment in this Rental Agreement (including any schedule) and in any filings.

5 LIABILITY AND INSURANCE The Customer is responsible for any losses or injury caused by the Equipment. Customer assumes all risk and liability for the loss of or damage to the Equipment for the injury to any person or property of another and for all other risks and liabilities arising from the use, operation, condition, possession or storage of the Equipment. The Customer must continue to make rental payments through the entire term of this Agreement and may not cancel this Agreement for any reason, even if the Equipment has been damaged or destroyed. Vendor is not responsible for any losses or injuries caused by the installation or use of the Equipment. The Customer promises to keep the Equipment fully insured against loss and maintain insurance that protects Vendor from liability for any damage or injury caused by the Equipment or its use. Upon the request of Vendor the Customer shall provide Vendor evidence of the insurance showing Vendor as the loss payee. If the Customer fails to provide such evidence within fifteen (15) days the Customer authorizes Vendor to obtain coverage on its behalf. Alternatively, Vendor may choose to self insure and add an insurance surcharge to the Customer's rent. Customer authorizes Vendor to file claims and endorse insurance checks on the Customer's behalf.

6 INDEMNITY The Customer agrees to indemnify, defend and hold harmless Vendor and its agents and employees from and against any claim, loss, liability and expenses, including reasonable attorneys fees, caused by the Equipment, unless due to the intentional conduct of Vendor. The indemnities and assumptions of risk, liabilities and obligations of Customer arising under this Agreement shall continue in effect after termination of this Agreement, regardless of the reason for termination.

7 USE, MAINTENANCE AND CARE OF EQUIPMENT The Customer shall be entitled to the absolute right to the use, operation, possession and control of the Equipment during the term of this Agreement, provided Customer is not in default of any provision on this Agreement. The Customer shall assume all obligation and liability with respect to the possession of the Equipment and for its use and operation during the lease term. Customer agrees to reimburse Vendor in full for all damage to the Equipment arising from any misuse or negligent act by Customer, its employees, and its agents. Vendor shall not be under any liability or obligation in any manner to provide service, maintenance, repairs or parts for the Equipment, provided however that all normal service and filters are included in the rental payment.

8 LOCATION OF EQUIPMENT The Customer will keep the Equipment at the location specified in this Agreement. The Customer must obtain Vendor's written permission to move the Equipment. The Customer will allow Vendor or its agents to inspect the Equipment at any reasonable time where it is located. If the Equipment is not being properly maintained in the sole opinion of Vendor, Vendor shall have the right, but not the obligation, to have it repaired or maintained at a service facility at the expense of Customer.

9 ASSIGNMENT THE CUSTOMER HAS NO RIGHT TO SELL, TRANSFER, ENCUMBER, SUBLETT OR ASSIGN THE EQUIPMENT OR THIS AGREEMENT. Vendor may sell, transfer or assign this Agreement without the Customer's consent. In the event of any assignment by Vendor, assignee shall have all the rights, power, privilege, and remedies of Vendor set forth in this Agreement, but none of the obligations (including but not limited to any service or maintenance obligations). Customer agrees not to raise any claim or defense against Vendor or such assignee arising out of this Agreement as a defense, counterclaim or off set to any action by any assignee for the unpaid balance of rentals due under this Agreement or the possession of the Equipment. Vendor shall assign to Customer all manufacturer, dealer or supplier warranties applicable to the Equipment to enable Customer to obtain any warranty service available for the Equipment. Vendor appoints Customer as Vendor's attorney in fact for the purpose of enforcing any warranty. Any enforcement by Customer shall be at the expense of Customer and shall in no way render Vendor responsible to Customer for the performance of any of the warranties. This Agreement and each of its provisions shall be binding on and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustees, successors and assigns of the parties to this Agreement.

10 DEFAULT If the Customer does not pay any amount when it is due or perform any obligation required under this Agreement, the Customer will be in default. If the Customer defaults, Vendor can demand that the Customer pay the remaining balance of the Agreement and return the Equipment at the Customer's expense. At Vendor's option, Vendor may repossess the Equipment. Customer waives any rights Customer may have to notice before Vendor seizes any of the Equipment and waives any requirement that Vendor post a bond in connection with any such seizure or possession. In addition, if the Customer breaks any promise in this Agreement, Vendor can use any remedies available to Vendor under the Uniform Commercial Code or any other applicable law. The exercise of one remedy shall not be deemed to preclude the exercise of any other remedy. No failure or delay on the part of Vendor to exercise any remedy or right shall operate as a waiver. Acceptance by Vendor of rent or other payments made by Customer after default shall not be deemed a waiver of lessor's rights and remedies arising from Customer's default. The Customer promises to pay reasonable attorneys fees and any costs associated with any action to repossess the Equipment or to enforce or interpret any provision of this Agreement. This action will not void the Customer's responsibility to maintain and care for the Equipment.

11 BUSINESS AGREEMENT AND CHOICE OF LAW THE CUSTOMER AGREES THAT THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH VENDOR IS HEADQUARTERED OR IF THIS AGREEMENT HAS BEEN ASSIGNED BY VENDOR, THE STATE IN WHICH THE ASSIGNEE IS HEADQUARTERED. VENDOR AND CUSTOMER WAIVE THE RIGHT TO A TRIAL BY JURY IN THE EVENT OF A LAWSUIT.

12 RENEWAL After the Initial Term or any extension thereto, this Agreement shall automatically renew for an additional term equal to the Initial Term, not exceeding twelve (12) months, unless the Customer notifies Vendor in writing, thirty (30) days prior to the expiration of the Initial Term or extension. Upon the expiration date of the Agreement, Customer shall return the Equipment to Vendor together with all accessories, free from damage and in the same condition and appearance as when received by Customer, allowing for ordinary wear and tear. The Customer agrees to pay shipping charges. If Customer fails or refuses to return the equipment to Vendor, Vendor shall have the right to take possession of the Equipment and for that purpose to enter any premises where the Equipment is located without being liable in any suit, action, defense or other proceedings to Customer. The Customer must pay any additional rents due until Vendor or its agents receive the Equipment.

13 OTHER RIGHTS The Customer agrees that Vendor's delay or failure to exercise any rights does not prevent Vendor from exercising them at a later time. If any part of this Agreement is found to be invalid, then it shall not invalidate any of the other parts, which shall remain valid and in full force and effect, and this Agreement shall be modified to the minimum extent permitted by law.

14 ENTIRE AGREEMENT AMENDMENT SEVERABILITY This Agreement represents the entire agreement between Vendor and the Customer. Any amendments, waiver or changes will bind neither Vendor nor the Customer unless agreed to in writing and signed by both parties. Except for identifying the goods and services, order the price(s) and the quantity(ies), the terms and conditions of the purchase order or other ordering documents of Customer will not modify or affect this Agreement or have any other legal effect whether issued or signed before, on or after the date of this Agreement. No agreements, representations or warranties other than those specifically set forth in this Agreement shall be binding on any of the parties unless set forth in writing and signed by both parties.



Lease Assignment Schedule

Date of this Sale/Assignment: 12-27-01

Buyer: Marlin Leasing Corporation

Seller: Cipria Defect of Sacramento Valley

Description of Contracts and Equipment being Sold/Assigned See attached Annex 1

FOR VALUE RECEIVED, the Seller does hereby sell, assign and transfer to Buyer, its successors and assigns, the equipment lease or rental contracts identified on Annex 1 hereto (the "Contracts") and all associated chattel paper between the Seller and the customers identified on such Contracts, together with all of the Seller's rights, title, security and other interests with respect to such Contracts (including but not limited to the Seller's right, title and interest in and to the equipment described therein), and all of the Seller's rights and remedies thereunder, including the right to collect any and all lease, rental and other payments due and to become due thereunder, and all monies due or to become due in connection with the exercise by a customer of any option, if any, to purchase the leased or rented equipment, and further including the right in the Buyer's or Seller's name to take all proceedings, legal, equitable or other, that the Seller might take were it not for this assignment.

THIS LEASE ASSIGNMENT SCHEDULE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE CERTAIN MASTER AGREEMENT (AS THE SAME MAY BE AMENDED FROM TIME TO TIME) BY AND BETWEEN THE BUYER AND THE SELLER, WHICH IS HEREBY INCORPORATED BY REFERENCE HEREIN.

The parties intend and agree that a carbon copy, photocopy, or facsimile of this Lease Assignment Schedule with Seller's signature thereon shall be treated as an original, and shall be deemed to be as binding, valid, genuine, and authentic as an original-signature document for all purposes, including all matters of evidence and the "best evidence rules."

WITNESS

[Signature]

SELLER: Cipria Defect of Sacramento Valley

By: [Signature]
DENISE KUCZEWSKI

(Print name and title)

Nancy Zlobek, Atty in Fact