


United States Bankruptcy Court Southern District of New York		Chapter 11	PROOF OF CLAIM
Name of Debtor Allegiance Telecom, Inc		Case Number 03-13057	This Space is for Court Use Only
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 U.S.C. § 503			
Name of Creditor (The person or other entity to whom the debtor owes money or property) Orange County Treasurer-Tax Collector		<input type="checkbox"/> Check box if you are aware that any creditor has filed a proof of claim relating to your claim. Attach 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 type="checkbox"/> Check box if the address differs from the address on the envelope sent to you by the court	U.S.B.C. SOUTHERN DISTRICT OF NEW YORK ALLEGIANCE TELECOM, INC 03-13057 (RFD) <hr style="border-top: 1px dashed black;"/> 1015
Name and address where notices should be sent P O Box 1438 Santa Ana CA 92702			
Telephone Number (714) 834 3411			
Account or other number by which creditor identifies debtor Parcel # P-7742-00001		Check here <input type="checkbox"/> replaces if this claim <input checked="" type="checkbox"/> amends a previously filed claim dated 06/16/03 in the amount of \$241 089 72	
1 Basis for Claim Taxes			
A The debtor was at the time of the petition initiating this case, and still is indebted to this claimant, in the sum of \$137367 54			
B This claim is for taxes due under the Revenue and Taxation Code of the State of California and includes penalties, if any, to the date of petition			
<i>* Interest attaches pursuant to California Revenue and Taxation Code Sections 2704, 2705, 2706, 4103, 4103(b) or 2922</i> <i>** The amount of the claim may be subject to amendment after a mandatory audit by the County Assessor pursuant to California Revenue & Taxation Code, Section 469</i>			
2 Date debt was incurred 01/01/03		3 If court judgment, date obtained	
4 Total Amount of Claim at Time Case Filed		\$137367 54	
RECD OCT 22 2003			
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 Statement of all interest or additional charges referenced below			
5 Secured Claim Pursuant to California Revenue and Taxation Code Sections 2193, 2187, 2191 3, 2191 4 Amount \$137367 54 See attached Detail Report		6 Unsecured Priority Claim Specify the priority of the claim <input type="checkbox"/> Taxes or penalties owed to government units 11 U.S.C. sec 507(a)(8) Amount \$ See attached Detail Report	
7 Credits The amount of all payments, if any, on this claim has been credited and deducted for the purpose of making this proof of claim Executed under penalty of perjury at Santa Ana California October 17, 2003 John M W Moorlach Treasurer-Tax Collector County of Orange State of California			This Space is for Court Use Only
Date October 17 2003		Sign and print the name and title, if any, of the creditor or person authorized to file this claim By <i>A Phillips</i> A Phillips, Deputy	
		Allegiance Claim  01052	



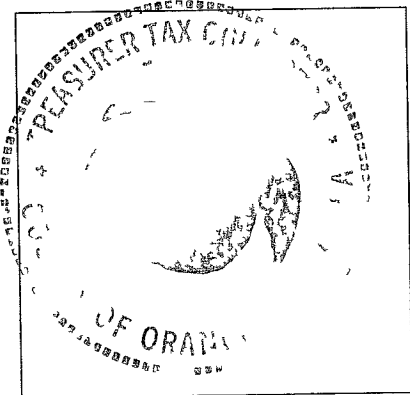
Debtor	Allegiance Telecom, Inc
Case No	03-13057
File Date	05/14/03
Chapter No	11
Parcel No	P-7742-00001
TDN	
Tax Collector Ref No	
Bankruptcy No	0300561
Property Location(s)	no situs found

PRE-PETITION TAX LIABILITY

TAX YEAR	BILL TYPE	NET VALUE	TAX RATE	BASE TAX 1 st Installment	2 nd Installment	BASIC PENALTY	COST	FEES	ADDL PENALTIES	CLAIM TOTAL
2003	Secured Property Tax	\$12,823,827	1.07119	\$68,683.77	\$68,683.77					\$137,367.54
		\$								
		\$								
		\$								
		\$								
		\$								
		\$								
		\$								
Less Amount Paid				()	()	()	()	()	()	()
TOTALS:				\$68,683.77	\$68,683.77					\$137,367.54

I certify the above to be a true and correct copy of the original entry on the secured/unsecured property tax roll
ORANGE COUNTY TAX COLLECTOR

By A. Phillips
 A Phillips, Deputy Tax Collector
 10/17/03



1 PROOF OF SERVICE BY MAIL

2 (CCP SEC 1013A, 2015 5)

3 I am employed in the County of Orange, State of California I am over the age of 18 years and not
4 a party to the within action My business address is Orange County Treasurer-Tax Collector, 12
Civic Center Plaza, Room G40 Santa Ana, CA 92702

5 DOCUMENT(S) SERVED Proof of Claim

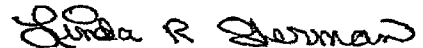
6 On October 17, 2003, I served the documents named above on the parties in this action by placing
7 a true copy of said document(s) in a sealed envelope in the following manner

8 (BY MAIL) I caused each such envelope, with postage fully prepaid, to be placed in the
9 United States mail at Santa Ana, California I am readily familiar with this office s
10 practice for collecting and processing correspondence for mailing, said practice for
11 collecting and processing correspondence for mailing, said practice being that in the
ordinary course of business, mail is deposited in the United States Postal Service the
same day as it is place for

12 (BY FACSIMILE) The above- reference documents(s) were transmitted by facsimile
13 transmission was reported as completed and without error I either caused, or had
14 someone cause, the transmitting machine to property transmitted the attached documents
to the Facsimile number(s) shown on the service list

15 (STATE) I declare under penalty of perjury under the laws of the State of California that
the above is true and correct

16 Executed on this 17 day of October, 2003, at Santa Ana, California

17
18 

19
20

Linda Sherman
Deputy Tax Collector

21 NAME AND ADDRESS OF PERSON(S) SERVED

22
23 United States Bankruptcy Court
One Bowling Green
24 New York, NY 10004

Attorney for Debtor
Kirkland & Ellis
Matthew A. Cantor, Esq
Jonathan S. Henes, Esq
Citigroup Center
153 East 53rd Street
New York, NY 10022

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

**In re: Allegiance Telecom, Inc., et al.
Case No. 03-13057-(RDD)-11**

DOCUMENTS APPENDED TO CLAIM

On May 25, 2005, document(s) were appended to Claim Number **1052** for the following reason(s):

- Stipulation/Order
- New Supporting Documents
- Change of Address
- Stipulation and Order
- Other: Per Docket Number 2201 EOD 5/25/05

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

_____	X	
In re	:	
	:	
	:	Chapter 11 Case No.
Allegiance Telecom, Inc., <u>et al.</u> ,	:	03-13057 (RDD)
	:	
Debtors.	:	Jointly Administered
_____	X	

**STIPULATION AND AGREED ORDER RESOLVING CLAIMS OF
ORANGE COUNTY, CALIFORNIA**

This STIPULATION AND AGREED ORDER is by and between the Allegiance Telecom Liquidating Trust (the “ATLT”), as successor to the Debtors (as defined below), and Orange County, California (“Claimant”). The parties hereby stipulate and agree as follows:

WHEREAS, on May 14, 2003, Allegiance Telecom, Inc. (“ATI”) and its direct and indirect subsidiaries (collectively, the “Debtors”) commenced voluntary cases (the “Chapter 11 Cases”) under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court for the Southern District of New York, Case No. 03-13057 (RDD) (the “Bankruptcy Court”); and

WHEREAS, the Chapter 11 Cases were consolidated for procedural purposes only and were jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure; and

WHEREAS, Claimant filed a proof of claim numbered 1052 (the “Amended Proof of Claim”) for Claims (as such term is defined in the Plan) against Allegiance Telecom of California in the

amount of \$137,367.54 (the "Claim"), which amended and replaced a previously filed proof of claim (the "Initial Proof of Claim") (collectively with the Amended Proof of Claim, the "Proofs of Claim"); and

WHEREAS, the ATLT made a partial payment to Claimant of \$87,313.07; and

WHEREAS, the Debtors filed their Third Amended Joint Plan of Reorganization dated June 8, 2004 (the "Plan") with the Bankruptcy Court and the Court entered its Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Third Amended Joint Plan of Reorganization on June 10, 2004 (the "Confirmation Order"); and

WHEREAS, in accordance with the terms of the Plan, on the Initial Effective Date, the ATLT was created; and

WHEREAS, pursuant to the Plan, Eugene I. Davis was appointed as the plan administrator (the "Plan Administrator") for the ATLT; and

WHEREAS, among other things, the purpose of the ATLT is to (i) wind-down the Debtors' affairs, including making distributions as contemplated in the Plan, (ii) investigate, enforce and prosecute avoidance and other causes of action, (iii) object to, settle, compromise, dispute and/or prosecute disputed claims, and (iv) administer the Plan and take such actions as are necessary to effectuate the terms of the Plan; and

WHEREAS, the ATLT, as the successor to the rights of the Debtors, and the Plan Administrator has the authority to, *inter alia*, perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code; and

WHEREAS, Claimant has not filed any proofs of claim in the Chapter 11 Cases aside from the Proofs of Claim; and

WHEREAS, the ATLT disputes the amounts sought by Claimant in the Proofs of Claim; and

WHEREAS, on or about October 25, 2004, the ATLT filed its Fourteenth Omnibus Objection to Certain Proofs of Claim of Taxing Authorities which included an objection to the Amended Proof of Claim; and

WHEREAS, on or about November 22, 2004, Claimant filed its Response of the Orange County California Treasurer-Tax Collector to the Allegiance Telecom Liquidating Trust's Fourteenth Omnibus Objection to Certain Proofs of Claims of Taxing Authorities; and

WHEREAS, the ATLT and Claimant have negotiated in good faith at arm's length and have reached a consensual resolution, as set forth below, with respect to the Proofs of Claim to avoid incurring significant additional litigation expenses that would necessarily be incurred in litigating this matter to an uncertain conclusion.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. For the purposes of this Stipulation and Agreed Order, the term "Final Order" shall mean an order approving this Stipulation and Agreed Order that has not been stayed, reversed or amended and the time, as computed under the Bankruptcy Rules, to appeal or seek review or rehearing of such order (or any revision, modification or amendment thereof) has expired and no appeal or petition for review or rehearing of such order was filed, or if filed, remains pending.

2. Upon entry of a Final Order, the ATLT shall grant Claimant an allowed Administrative Expense Claim (as defined in the Plan) of \$50,054.47 in full and complete satisfaction of the remainder of all Claims (as defined in the Plan) held by Claimant with respect to the Debtors, the Debtors' estates and/or the ATLT.

3. Upon the entry of a Final Order, the ATLT is hereby authorized and directed to expunge from the ATLT's claims register all proofs of claims, including the Proofs of Claim, filed by Claimant and/or related to the Claim.

4. Upon entry of a Final Order, Claimant hereby irrevocably, unconditionally and without reservation of any kind waives, releases and forever discharges the ATLT, Debtors, and the Debtors' estates, and their respective parent firms and affiliates, and their officers, directors, employees, attorneys, professionals, and agents from and against any and all past, present and future actions, causes of action, Claims, liabilities, suits, debts, judgments, and damages, of any kind whatsoever, whether matured or unmatured, at law or in equity, known or unknown, liquidated or unliquidated, foreseen or unforeseen, discoverable or undiscoverable, contingent or non-contingent, which Claimant has, had, or may have in the future against the ATLT, the Debtors, and the Debtors' estates arising prior to the date hereof, including, but not limited to, the Claim.

5. This Stipulation and Agreed Order shall be governed by New York law, excluding its conflicts of laws principles, and this Court shall retain jurisdiction to resolve any disputes between the parties arising with respect to this Stipulation and Agreed Order.

6. The undersigned on behalf of the ATLT and Claimant each represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation and Agreed Order on behalf of such party. Claimant represents and warrants to the ATLT that, as of the date hereof, it is the sole holder of all Claims against the Debtors, the Debtors' estates and the ATLT related to the Orange County Claims and Claimant has not assigned, sold, or otherwise transferred any Claims against the Debtors, the Debtors' estates or the ATLT. Claimant represents and warrants that it has had an opportunity to consult with its own attorney and fully understands the meaning of the provisions in this Stipulation and Agreed Order, including, but not limited to, the releases included herein.

7. This Stipulation and Agreed Order is subject to approval by the Bankruptcy Court and the entry of a Final Order by the Bankruptcy Court; provided, however, that the parties shall support such Bankruptcy Court approval and comply with this Stipulation and Agreed Order pending the Bankruptcy Court's entry of a Final Order approving or disapproving this Stipulation and Agreed Order.

8. Nothing in this Stipulation and Agreed Order or any negotiations or proceedings in connection herewith shall constitute or be deemed to be evidence of an admission by any party of any liability or wrongdoing whatsoever, or the truth or untruth, or merit or lack of merit, of any claim or defense of any party. Neither this Stipulation and Agreed Order nor any negotiations or proceedings in connection herewith may be used in any proceeding against any party for any purpose whatsoever except with respect to effectuation and enforcement of this Stipulation and Agreed Order.

9. This Stipulation and Agreed Order contains the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous oral or written agreements. The parties acknowledge that no promise, inducement, or agreement not stated herein has been made to them in connection with this Stipulation and Agreed Order. The parties understand and agree that this Stipulation and Agreed Order may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing duly executed by both parties. The parties agree and acknowledge that they will make no claim at any time or place that this Stipulation and Agreed Order has been orally altered or modified or otherwise changed by oral communication of any kind or character. Each party agrees that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation, construction, or enforcement of this Stipulation and Agreed Order.

10. This Stipulation and Agreed Order may be executed simultaneously or in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. A facsimile copy of a signature page is the equivalent of an original signature page.

11. This Stipulation and Agreed Order shall be binding upon (i) the ATLT, as successor to the Debtors, (ii) Claimant and (iii) their respective predecessors, successors, heirs, subsidiaries, affiliates, assignees, agents, directors, officers, employees, the Plan Administrator, and any trustee appointed under Chapter 7 of the Bankruptcy Code.

Dated: New York, New York
May 24, 2005

**ALLEGIANCE TELECOM LIQUIDATING
TRUST**

By: /s/ Randall Olson
Randall Olson
Allegiance Telecom Liquidating Trust
1405 S. Beltline Road, Suite 100
Coppell, Texas 75019

ORANGE COUNTY, CALIFORNIA

By: /s/ Laurie Shade
Laurie Shade
Deputy
10 Civic Center Plaza, 4th Floor
P.O. Box 1379
Santa Ana, California 92702

and

**AKIN GUMP STRAUSS HAUER & FELD
LLP**

By: /s/ Kenneth A. Davis
Ira S. Dizengoff, Esq. (ID-9980)
Phil C. Dublin, Esq. (PD-4919)
Kenneth A. Davis, Esq. (KD-9070)
Jeffrey M. Anapolsky, Esq. (JA-8867)
590 Madison Avenue
New York, New York 10022
Telephone: (212) 872-1000

Counsel to the Allegiance Telecom
Liquidating Trust

SO ORDERED, this 25th day of May 2005

/s/ Robert D. Drain

UNITED STATES BANKRUPTCY JUDGE