

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

PROOF OF CLAIM



In re
ALLEGIANCE TELECOM OF NEW YORK, INC

Case Number
03-13057 (RDD)
Jointly Administered

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.

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check box if you have never received any notices from the bankruptcy court in this case.

Check box if this address differs from the address on the envelope sent to you by the court.

FILED
U.S. BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK
ALLEGIANCE TELECOM, INC
03-13057 (RRD)
1723

If you have already properly filed a proof of claim with the Bankruptcy Court, you do not need to file again.

Name of Creditor and Address
Bank of America, N.A.
Mail Code CA9-706-08-02
555 S Flower Street, Suite 800
Los Angeles, CA 90071
Attn Eric T Sieke, Esq

Creditor Telephone Number () **213-345-1171**

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR

Check here replaces or amends a previously filed claim dated _____ if this claim

1 BASIS FOR CLAIM

Goods sold Personal injury/wrongful death Retiree benefits as defined in 11 U.S.C. § 1114(a)

Services performed Taxes Wages, salaries, and compensation (Fill out below)

Money loaned Other (describe briefly below)

Your social security number _____
Unpaid compensation for services performed from _____ to _____ (date) (date)

2 DATE DEBT WAS INCURRED see attachments **3 IF COURT JUDGMENT, DATE OBTAINED**

4 TOTAL AMOUNT OF CLAIM AT TIME CASE FILED

\$ _____	\$ 446,459.00	\$ _____	\$ 446,459.00
(unsecured)	(secured)	(unsecured priority)	(total)

If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.

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

Check this box if your claim is secured by collateral (including a right of setoff).

Brief description of collateral

Real Estate
 Motor Vehicle
 Other deposit accounts

Value of collateral \$ **458,000.20**

Amount of arrearage and other charges at time case filed included in secured claim above if any \$ _____

6 UNSECURED PRIORITY CLAIM

Check this box if you have an unsecured priority claim.

Specify the priority of the claim

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 U.S.C. § 507(a)(3)

Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)

Up to \$2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use 11 U.S.C. § 507(a)(6)

Alimony, maintenance, or support owed to a spouse, former spouse, or child 11 U.S.C. § 507(a)(7)

Taxes or penalties owed to governmental units 11 U.S.C. § 507(a)(8)

Other Specify applicable paragraph of 11 U.S.C. § 507(a) _____

Amounts are subject to adjustment on 4/1/01 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

RECEIVED
DEC 03 2003
BMC

7 CREDITS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

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.

9 DATE-STAMPED COPY To receive an acknowledgment of your claim, please enclose a self-addressed stamped envelope and an additional copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is received on or before 5:00 p.m., November 26, 2003, Prevailing Eastern Time.

BY MAIL TO United States Bankruptcy Court
Southern District of New York
Allegiance Claims Docketing Center
Bowling Green Station P.O. Box 95
New York, NY 10274-0095

BY HAND OR OVERNIGHT DELIVERY TO United States Bankruptcy Court
Southern District of New York
Allegiance Claims Docketing Center
One Bowling Green, Room 534
New York, NY 10004-1408

THIS SPACE FOR COURT USE ONLY

RECEIVED

ALLEGIANTE CLAIM PROCESSING CENTER

DATE SIGNED **11/20/03**

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)

MANAGIAS
J. Joost, Director

Penalty for presenting fraudulent claim is a fine of up to \$500,000 or imprisonment for up to 5 years or both 18 U.S.C. §§ 152 AND 3571

See Other Side For Instructions



ATTACHMENT TO

BANK OF AMERICA, N A 'S PROOF OF CLAIM

This claim results from two (2) undrawn and unexpired Bank of America, N A , (“Bank of America”) Irrevocable Standby Letters of Credit Nos 932972 and 933473, as amended from time to time and modified by amendments and renewed under its terms (collectively referred herein as “SBLCs”) (attached hereto as Exhibit A) Applicant Allegiance Telecom of New York, Inc (“Allegiance”) is obligated to reimburse Bank of America in the event such letters of credit are drawn together with interest and fees pursuant to the Application and Agreement for Standby Letter of Credit dated April 2, 1998 and July 2, 1998, respectively (collectively referred herein as the “Applications”) (attached hereto as Exhibit B)

All obligations of Allegiance under the Applications (including, without limitation, the obligation to reimburse Bank of America for any drawings on the SBLCs) are subject to rights of setoff and/or secured by time deposit accounts pursuant to the Pledge and Assignment of Deposits dated April 6, 1998 and dated July 2, 1998, respectively, by and between Bank of America and Allegiance (collectively referred herein as the “Pledge Agreements”) (attached hereto as Exhibit C) The time deposit accounts have a collective balance of approximately \$458,000 20 as of November 18, 2003

Pursuant to the Pledge Agreements, Allegiance granted Bank of America security interest in the time deposit accounts for all debts, obligations or liabilities of Allegiance arising out of or in connection with the SBLCs

As of May 14, 2003 (the “Filing Date”), Allegiance (contingent upon the drawing of said letters of credit by the beneficiary) is indebted to Bank of America in the collective approximate amount of \$446,459 00 (the face amount of the SBLCs) and any drawing and wire transfer fees that will be incurred at any drawing

In executing and filing this proof of claim, Bank of America does not waive any obligations owed to it, any right to any security held by it for its benefit, or any right or rights of action that it may have against Allegiance or any other person or persons Bank of America reserves the right to amend or supplement this proof of claim in any manner

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUING BANK:
NATIONSBANK OF TEXAS, N.A.

ISSUE DATE: 06APR98

EXPIRY DATE: 06APR99

LETTER OF CREDIT NUMBER: 932972

PLACE: NEW YORK, NEW YORK

AMOUNT: USD 511,218.75

FIVE HUNDRED ELEVEN THOUSAND TWO HUNDRED EIGHTEEN AND 75/100

BENEFICIARY:
805 3RD. AVE. CO.
750 LEXINGTON AVENUE
NEW YORK, NY 10022

APPLICANT: -9390
ALLEGIANCE TELECOM OF NEW YORK,
INC.
1950 STEMMONS FRWY., #3026
DALLAS, TX 75207

WE HEREBY ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN BENEFICIARY'S FAVOR WHICH IS AVAILABLE BY PAYMENT AGAINST DRAFTS DRAWN AT SIGHT ON NATIONSBANK OF TEXAS, N.A. BEARING THE CLAUSE: QUOTE DRAWN UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NO. 932972 CLOSE QUOTE

SPECIAL CONDITIONS:-
PRESENTATION OF DRAFT(S) AND DOCUMENT(S) HEREUNDER SHALL BE MADE TO US IN THE FORM OF A FACSIMILE TRANSMISSION TO THE TELECOPY/FACSIMILE NUMBER SHOWN BELOW. YOU MUST CONFIRM OUR RECEIPT OF EACH TELECOPIED DRAFTING BY TELEPHONING THE NUMBER SHOWN BELOW AND IMMEDIATELY FORWARD TO US THE ORIGINAL DRAFT(S) AND DOCUMENT(S) BY COURIER SERVICE TO NATIONSBANK INTERNATIONAL, LETTER OF CREDIT DEPARTMENT, 55 BROADWAY, 8TH FLOOR, NEW YORK, NY, 10006, TELEPHONE NO. 214-508-0685, TELECOPY/FACSIMILE NO. 214-508-2543.

WE HEREBY ENGAGE WITH YOU THAT DRAWINGS PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED 3 DAYS AFTER OUR RECEIPT OF YOUR FACSIMILE TRANSMISSION ON OR BEFORE THE EXPIRATION DATE.

PRESENT DOCUMENTS TO NATIONSBANK OF TEXAS, N.A., ATTN: LETTER OF CREDIT DEPARTMENT, 201 MAIN STREET, 8TH FLOOR, TX 1-492-09-01, DALLAS, TEXAS 75202. IN ONE ENVELOPE ONLY.

UNLESS OTHERWISE SPECIFICALLY ADVISED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICES FOR BANKING LETTERS OF CREDIT (ISSUED BY THE INTERNATIONAL CHAMBER OF COMMERCE) AND IS GOVERNED BY UCP 500.

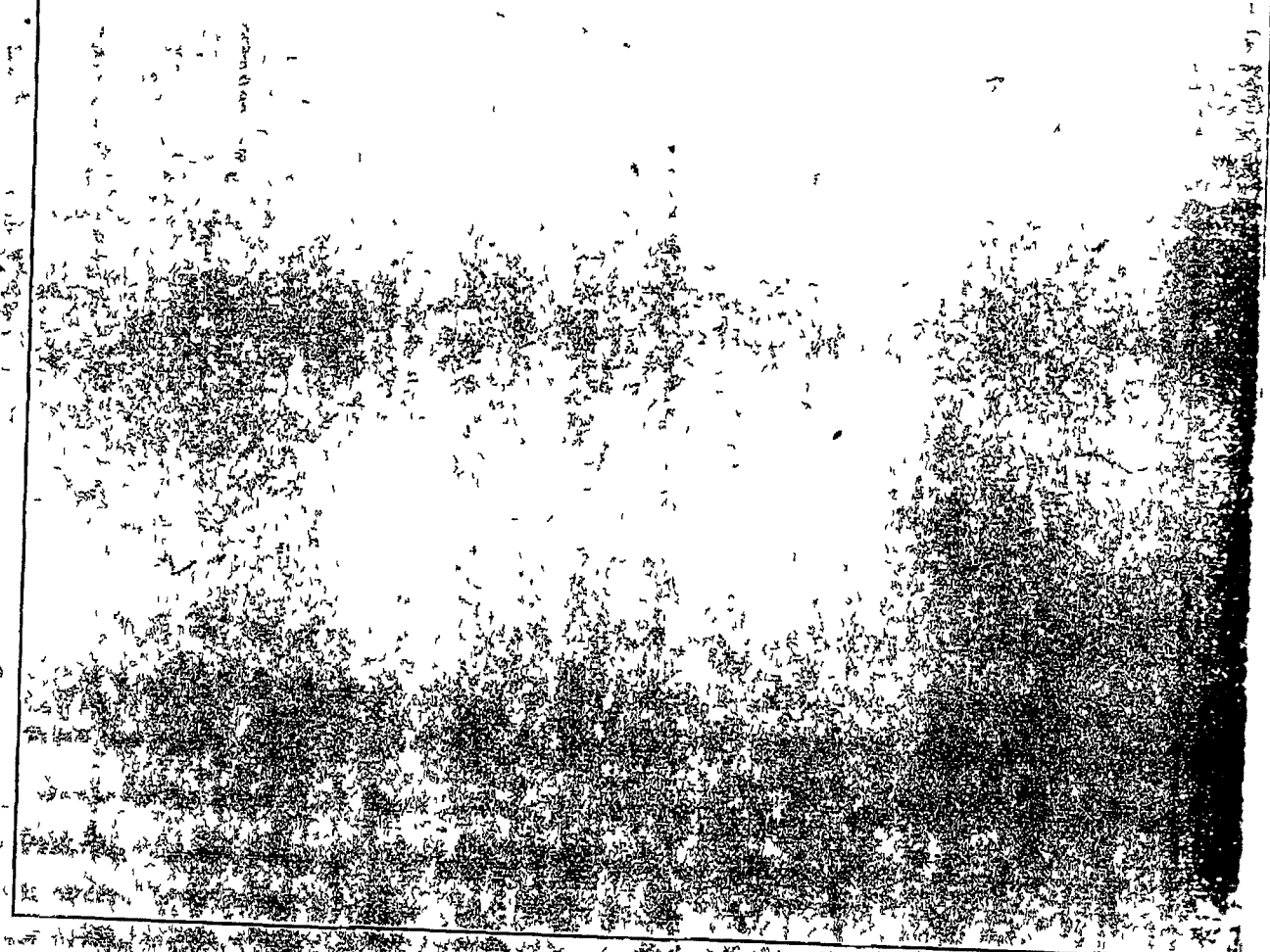
FOR ASSISTANCE PLEASE CALL CUSTOMER SERVICE AT 214-508-0685.

Nationsbank

4932977

M. R. Kober
AUTHORIZED SIGNATURE
NATIONSBANK OF TEXAS, N.A.

-939L



NationsBank

THIS IRREVOCABLE STANDBY LETTER OF CREDIT NO. 932972 IS AMENDED IN ITS ENTIRETY.

ISSUING BANK:
NATIONSBANK OF TEXAS, N.A.

AMENDMENT NO. - 01
AMENDMENT DATE 10/01/98
ISSUE DATE 06/01/93
EXPIRY DATE 06/01/99
PLACE NEW YORK, NEW YORK

AMOUNT: USD 511,218.00
FIVE HUNDRED ELEVEN THOUSAND TWO HUNDRED EIGHTEEN AND 00/100

BENEFICIARY:
805 THIRD AVE CO.
750 LEXINGTON AVENUE
NEW YORK, NY 10022

AFFILIANT:
ALLEGIANCE TELECOM OF NEW YORK, INC
1950 STEMMONS FRWY , #3024
DALLAS, TX 75207

WE HEREBY ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN BENEFICIARY'S FAVOR WHICH IS AVAILABLE BY PAYMENT AGAINST DRAFTS DRAWN AT SIGHT ON NATIONSBANK OF TEXAS, N.A. BEARING THE CLAUSE: QUOTE DRAWN UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NO. 932972 CLOSE QUOTE

SPECIAL CONDITIONS:
PRESENTATION OF DRAFT(S) AND DOCUMENT(S) HEREUNDER SHALL BE MADE TO US IN THE FORM OF A FACSIMILE TRANSMISSION TO THE TELECOPY/FACSIMILE NUMBER SHOWN BELOW. YOU MUST CONFIRM OUR RECEIPT OF EACH TELECOPIED DRAWING BY TELEPHONING THE NUMBER SHOWN BELOW AND IMMEDIATELY FORWARD TO US THE ORIGINAL DRAFT(S) AND DOCUMENT(S) BY COURIER SERVICE TO NATIONSBANK INTERNATIONAL, LETTER OF CREDIT DEPARTMENT, 55 BROADWAY, 4TH FLOOR, NEW YORK, NY 10006, TELEPHONE NO. 214-508-0485, TELECOPY/FACSIMILE NO. 214-508-2543.

WE HEREBY ENGAGE WITH YOU THAT DRAWINGS PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED 1 BUSINESS DAY AFTER OUR RECEIPT OF YOUR FACSIMILE TRANSMISSION ON OR BEFORE THE EXPIRATION DATE.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR AN ADDITIONAL PERIOD OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE UNLESS AT LEAST 60 DAYS PRIOR TO SUCH DATE, WE SHALL NOTIFY YOU IN WRITING AT THE ABOVE ADDRESS BY REGISTERED MAIL OR COURIER SERVICE THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH IRREVOCABLE STANDBY LETTER OF CREDIT NO. 932972, PAGE 1

NationsBank

ADDITIONAL PERIOD.

PRESENT DOCUMENTS TO NATIONSBANK OF TEXAS, U.A., ATIN: LETTER OF CREDIT DEPARTMENT, 701 MAIN STREET 2TH FLOOR, 141 29, 09 01, DALLAS, TEXAS 75202 IN ONE COPY COURIER.

UNLESS OTHERWISE SPECIFICALLY STATED, THIS CREDIT IS SUBJECT TO THE USITOM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS 1993 REVISED. THE INTERNATIONAL CHAMBER OF COMMERCE JURISDICTION NO 100.

FOR ASSISTANCE PLEASE CALL CUSTOMER SERVICE AT 214-508-0685

VERY TRULY YOURS,

NATIONSBANK OF TEXAS, U.A.

M. Merilla Coleman

MERILLA COLEMAN, VICE PRESIDENT
AUTHORIZED SIGNATURE

FOR ASSISTANCE PLEASE CALL CUSTOMER SERVICE AT 214-508-0685



*Accepted
for payment
2-7-01*

PAGE 1

DATE APRIL 7, 2000

AMENDMENT TO IRREVOCABLE STANDBY CREDIT NUMBER 932972

AMENDMENT NUMBER 2

BENEFICIARY
805 3RD AVE CO
750 LEXINGTON AVENUE
NEW YORK NY 10022

APPLICANT
ALLEGIANCE TELECOM OF NEW YORK INC
1950 STEMMONS FRWY 3026
DALLAS, TX 75207

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT AND MUST BE ATTACHED THERETO

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS

THE AMOUNT OF THIS CREDIT HAS BEEN DECREASED BY USD 170,406 25
THE AGGREGATE AMOUNT OF THE CREDIT IS NOW USD 340,812 50

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

THIS AMENDMENT WILL BECOME EFFECTIVE UPON OUR RECEIPT OF THE BENEFICIARY'S WRITTEN ADVICE OF CONSENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNOR OF THE BENEFICIARY, SENT TO US ATTENTION OF LAWRENCE BANALES IF THE BENEFICIARY CHOOSES THEY MAY SIGN AND RETURN THE ATTACHED COPY INDICATING THEIR CONSENT OR REJECTION

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS AMENDMENT PLEASE CALL 213-345-6630

Manuel Lopez

AUTHORIZED SIGNATURE

Lawrence Banales

AUTHORIZED SIGNATURE

MANUEL LOPEZ

LAWRENCE BANALES

____ AMENDMENT ACCEPTED ____ AMENDMENT REFUSED

DATE _____

SIGNATURE _____

THIS DOCUMENT CONSISTS OF 1 PAGE(S)

NationsBank

IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUING BANK:
NATIONSBANK, N.A.

ISSUE DATE: 03JUL98

EXPIRY DATE: 03JUL00

LETTER OF CREDIT NUMBER: 93473

PLACE: DALLAS, TEXAS

AMOUNT: USD 105,646.50
ONE HUNDRED FIVE THOUSAND SIX HUNDRED FORTY SIX AND 50/100

BENEFICIARY:
111 FIFTH AVENUE LLC
1500 BROADWAY
NEW YORK, NY 10036

APPLICANT:
ALLEGIANCE TELECOM OF NEW YORK, INC
1950 N STEMMONS FREEWAY
SUITE 3026
DALLAS, TX 75207

WE HEREBY ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN
BENEFICIARY'S FAVOR WHICH IS AVAILABLE BY PAYMENT AGAINST DRAFTS
DRAWN AT SIGHT ON NATIONSBANK, N.A.

BEARING THE CLAUSE: QUOTE DRAWN UNDER IRREVOCABLE LETTER OF
CREDIT NO. 93473 CLOSE QUOTE ACCOMPANIED BY THE
FOLLOWING DOCUMENTS:

SPECIAL CONDITIONS:-

PRESENTATION OF DRAFT(S) AND DOCUMENT(S) HEREUNDER SHALL BE MADE
TO US IN THE FORM OF A FACSIMILE TRANSMISSION TO THE
TELECOPY/FACSIMILE NUMBER SHOWN BELOW. YOU MUST CONFIRM OUR
RECEIPT OF EACH TELECOPIED DRAWING BY TELEPHONING THE NUMBER SHOWN
BELOW AND IMMEDIATELY FORWARD TO US THE ORIGINAL DRAFT(S) AND
DOCUMENT(S) BY COURIER SERVICE TO NATIONSBANK INTERNATIONAL,
LETTER OF CREDIT DEPARTMENT, 55 BROADWAY, 4TH FLOOR, NEW YORK, NY
10006, TELEPHONE NO. 214-508-0685, TELECOPY/FACSIMILE NO.
214 508-2543.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE
AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR AN ADDITIONAL PERIOD
OF ONE YEAR FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE UNLESS
AT LEAST 60 DAYS PRIOR TO SUCH DATE, WE SHALL NOTIFY YOU IN
WRITING AT THE ABOVE ADDRESS BY REGISTERED MAIL OR COURIER SERVICE
THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT FOR SUCH
ADDITIONAL PERIOD.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 93473 PAGE 11

NationsBank

PRESENT DOCUMENTS TO NATIONSBANK, N.A., ATIN LETTER OF
CREDIT DEPARTMENT, 901 MAIN STREET, 2TH FLOOR, FKL 421 09 01,
DALLAS, TEXAS 75202 III (NF LOT) BY COURIER.

UNLESS OTHERWISE SPECIFICALLY STATED, THIS CREDIT IS SUBJECT TO THE
UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS 1993 REVISION,
THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 600.

FOR ASSISTANCE PLEASE CALL CUSTOMER SERVICE AT 214-06-0687

W. Kelly Kline

AUTHORIZED SIGNATURE
NATIONSBANK, N.A.

NATIONSBANK

ISSUING BANK.
NATIONSBANK N.A.

LCR NO. 933473
AMENDMENT TO OF
AMENDMENT DATE: 15 JUL 93

BENEFICIARY:
111 EIGHTH AVENUE LLC
1500 BROADWAY
NEW YORK, NY 10036

AFFLICANT.
ALLEGIANCE TELECOM OF NEW YORK, INC
1750 N. STEMMONS FREEWAY
SUITE 3020
DALLAS, TX 75207

WE HEREBY AMEND THE ABOVE REFERENCED STANDBY LETTER OF CREDIT AS FOLLOWS.

BETWEEN PARAGRAPH TWO AND THREE, PLEASE ADD THE FOLLOWING TO READ:

"IT IS A CONDITION OF THIS IRREVOCABLE LETTER OF CREDIT THAT IT SHALL BE FULLY TRANSFERABLE BY BENEFICIARY WITHOUT ANY FEES OR CHARGES PAYABLE BY BENEFICIARY IN CONNECTION THEREWITH

AT THE END OF THE LAST PARAGRAPH PLEASE ADD THE FOLLOWING TO READ.

" ..PROVIDED, HOWEVER, THAT IN THE EVENT THE EXPIRATION DATE OCCURS DURING AN INTERRUPTION OF OUR BUSINESS OF THE TYPE DESCRIBED ON ARTICLE 17 OF SUCH PUBLICATION, THEN THE EXPIRATION DATE SHALL BE DEEMED TO BE AUTOMATICALLY EXTENDED UNTIL THE DATE WHICH SHALL BE FIVE (5) DAYS AFTER THE RESUMPTION OF OUR BUSINESS."

ALL OTHER TERMS UNCHANGED. THIS IS THE OPERATIVE INSTRUMENT WHICH FORMS AN INTEGRAL PART OF LETTER OF CREDIT NO. 933473 AND SHOULD BE ATTACHED THERETO.

FOR ASSISTANCE PLEASE CALL CUSTOMER SERVICE AT 214-508-0685

Cathy Beaman

AUTHORIZED SIGNATURE
NATIONSBANK, N.A.

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 933473, PAGE 1

COPY NOT NEGOTIABLE



Accepted
6-11-02
PAGE 1

DATE MAY 30, 2002

AMENDMENT TO IRREVOCABLE STANDBY CREDIT NUMBER 933473

AMENDMENT NUMBER 2

BENEFICIARY
111 EIGHTH AVENUE LLC
1500 BROADWAY
NEW YORK, NY 10036

APPLICANT
ALLEGIANCE TELECOM OF NEW YORK INC
1950 STEMMONS FRWY SUITE 3026
DALLAS TX 75207

THIS AMENDMENT IS TO BE CONSIDERED AN INTEGRAL PART OF THE ABOVE CREDIT AND MUST BE ATTACHED THERETO

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS

BENEFICIARY'S NAME AND ADDRESS NOW TO READ AS FOLLOWS

111 CHELSEA LLC
111 EIGHTH AVENUE, SUITE 1500
NEW YORK, NEW YORK 10011-5201

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

THIS AMENDMENT WILL BECOME EFFECTIVE UPON RECEIPT OF THE BENEFICIARY'S WRITTEN ADVICE OF CONSENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNOR OF THE BENEFICIARY IF THE BENEFICIARY CHOOSES, THEY MAY SIGN AND RETURN THE ATTACHED COPY INDICATING THEIR CONSENT OR REJECTION

_____ AMENDMENT ACCEPTED

_____ AMENDMENT REFUSED

DATE _____

SIGNATURE _____

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS AMENDMENT PLEASE CALL 213-345-0135

[Signature]

AUTHORIZED SIGNATURE

[Signature] THELMA CHAN

AUTHORIZED SIGNATURE

SERAFIN CABAYAN THIS DOCUMENT CONSISTS OF 1 PAGE(S)

NationsBank

Application and Agreement for Standby Letter of Credit

Letter of Credit Department Please issue an Irrevocable Letter of Credit in favor of the Beneficiary substantially as shown below and deliver the Credit by <input type="checkbox"/> Regular Mail <input type="checkbox"/> Airmail <input checked="" type="checkbox"/> Courier <input type="checkbox"/> Teletransmission	Letter of Credit Number (For NationsBank use only) 932972	Date 4-2-98
Applicant (Full name and mailing address) ALLEGIANTE TELECOM OF NEW YORK, INC. 1950 JENNIFER FREEMAN, SUITE 300 DALLAS, TX 75207 For Account of (if different from Applicant)	Beneficiary (Full name and mailing address; if courier delivery requested full street address must be provided) 205 3RD AVE. S. 750 LEXINGTON AVENUE NEW YORK, NY 10022	
Advising Bank (if left blank, NationsBank will choose as appropriate)	Amount (in figures and words) \$511,218.75 FIVE HUNDRED ELEVEN THOUSAND TWO HUNDRED EIGHTEEN DOLLARS AND SEVENTY-FIVE CENTS Currency _____ (if left blank, U.S. dollars will apply) Expiry Date (draft must be presented to drawee or for negotiation (when negotiable) on or before) 4-6-99	

Available by draft(s) at Sight drawn at NationsBank's option, on NationsBank or NationsBank's correspondent when accompanied by the following document(s): (Please check the document(s) and fill in the blank below as applicable):

A written statement purportedly signed by (if left blank the Beneficiary) _____ with the following wording:

Quote _____

Jean

Close Quote

Other **use Option #2 Excl. Pre-Admission Clause**
(attached)

Issue as per attached exhibit marked exhibit _____ (exhibit must be signed by the Applicant and become an integral part of this Application)

NOV 17 2003 09 56 FR BOFA TRADE OPS/LA 213 345 9653 TO 912142909461 P 03
 APR 02 '98 08 28 FR NB PE * BB LENDING 214 369 0556 TO 8537107 P 03/05

44/42/98 10 18 FAX 214 369 7107 ALBUQUERQUE DAL 4003

APR 02 '98 08 28 FR NB PE * BB LENDING 214 369 0556 TO 8537107 P 03/05
 4/C 932972

Notes: If the Credit provides for automatic renewal without amendment, Applicant agrees that it will notify NationsBank in writing at least sixty (60) days prior to the last day specified in the Credit in which NationsBank must give notice of non-renewal as to whether or not it wishes the Credit to be renewed. Any decision to renew or not renew the Credit shall be in NationsBank's sole discretion. Applicant hereby acknowledges that in the event NationsBank notifies the Beneficiary of the Credit that it has elected not to renew the Credit, the Credit may be drawn on if permitted by the terms of the Credit and further acknowledges and agrees that Applicant shall have no claim or cause of action against NationsBank or defense against payment under the Agreement for NationsBank's renewal or non-renewal of the Credit in the exercise of NationsBank's discretion as set forth above.

Multiple Drawings Prohibited (permitted if left blank)

Special Instructions to NationsBank Not to be included in the Credit (if any):

The terms and conditions set out above and below, and any attached exhibits, supplements or schedules referred to in this Application, have been reviewed by Applicant and by Applicant's signature below and for good and valuable consideration, Applicant agrees to the same and to be obligated and liable under the Agreement. In the event this Application requests an Account Party different from Applicant, then such party will sign below as Co-Applicant. Completion and submission of this Application by Applicant does not obligate NationsBank to enter into the Agreement or issue the requested Credit.

Allegiance Telecom, Inc.
 Name of Company or signature of Applicant if an individual
 By David J. Hall, CEO/PRESIDENT
 Authorized Signature/Title
1950 JENNISON HIGHWAY, SUITE 300
 Address
Dallas, TX 75207
 Address

214-853-7100 214-853-7107
 Telephone Fax
 Telephone Fax

Date April 1998 Date

Applicant NationsBank Officer - Secretary <u>Trace Wainwright</u> Office - Title <u>Bank Officer</u>	Applicant NationsBank Officer - Printed <u>Trace Wainwright</u> Office - Telephone <u>TR2-507-01</u>	Officer Number <u>4751</u> Cash Center Number <u>4336</u> Officer Fax (area code and number) <u>214-369-0556</u>
Officer Telephone Number (area code and number) <u>214-890-7236</u>	Purpose Code	

Standard Letter 1 _____ by (S) (W) (A) (E) (M) (F) (T) (X)
 Standard Letter 2 _____ by (S) (W) (A) (E) (M) (F) (T) (X)
 Standard Letter 3 _____ by (S) (W) (A) (E) (M) (F) (T) (X)

NationsBank

Application and Agreement for Standby Letter of Credit

Letter of Credit Department Please issue an Irrevocable Letter of Credit in favor of the Beneficiary substantially as shown below and deliver the Credit by: <input type="checkbox"/> Regular Mail <input type="checkbox"/> Airmail <input type="checkbox"/> Courier <input type="checkbox"/> Teletransmission		Letter of Credit Number (For NationsBank use only): 93347.3	Date: 7-2-98
Applicant (full name and mailing address): ALLEGANCE TELECOM OF NEW YORK, INC. 1950 N. STEAMBOAT FREEWAY, SUITE 3026 DALLAS, TX 75201 For Account of (if different from Applicant):		Beneficiary (full name and mailing address; if courier delivery requested full street address must be provided): 111 EIGHTH AVENUE LLC 1500 BROADWAY NEW YORK, NY 10036	
Advancing Bank (if left blank, NationsBank will choose at appropriate)		Amount (in figures and words): 105,646.50 ONE HUNDRED FIVE THOUSAND SIX HUNDRED FORTY-SIX AND FIFTY CENTS Currency: (if left blank, U.S. dollars will apply) Expiry Date (draft must be presented to drawee or for negotiation (when negotiable) on or before) 7-2-99	
Available by draft(s) at sight drawn at NationsBank's option, on NationsBank or NationsBank correspondent when accompanied by the following document(s): (Please check the documents and fill in the blanks below as applicable)			
<input type="checkbox"/> A written statement purportedly signed by (if left blank the Beneficiary) _____ with the following wording: Quote _____ <p style="font-size: 2em;"><i>Clear</i></p> <p style="font-size: 1.5em;"><i>use one 90 day auto renewal clause in</i></p> <p style="font-size: 1.5em;"><i>annual pm</i></p> <p style="font-size: 1.5em;"><i>60 days notice</i></p> <p style="font-size: 1.5em;"><i>with</i></p>		Close Quote _____	
<input checked="" type="checkbox"/> Other: ADD AN AUTOMATIC RENEWAL CLAUSE, WITH A 60 DAYS NOTICE PRIOR TO RENEWAL DATE TO BENEFICIARY & AUTOMATICALLY RENEW			

Issue as per attached exhibit marked exhibit _____ (exhibit must be signed by the Applicant and become an integral part of this Application).

06-01-023 118 95

HC 933473

Notes: If the Credit provides for automatic renewal without amendment, Applicant agrees that it will notify NationsBank in writing at least sixty (60) days prior to the last day specified in the Credit by which NationsBank must give notice of nonrenewal as to whether or not it wishes the Credit to be renewed. Any decision to renew or not renew the Credit shall be in NationsBank's sole discretion. Applicant hereby acknowledges that in the event NationsBank notifies the Beneficiary of the Credit that it has elected not to renew the Credit, the Credit may be drawn on if permitted by the terms of the Credit and further acknowledges and agrees that Applicant shall have no claim or cause of action against NationsBank or defense against payment under the Agreement for NationsBank's renewal or non renewal of the Credit in the exercise of NationsBank's discretion as set forth above.

Multiple Drawings Prohibited (permitted if left blank)

Special Instructions to NationsBank Not to be included in the Credit (If any)

The terms and conditions set out above and below and any attached exhibits, supplements or schedules referred to in this Application, have been reviewed by Applicant and by Applicant's signature below and for good and valuable consideration, Applicant agrees to the same and to be obligated and liable under the Agreement. In the event this Application requires an Account Party different from Applicant, then each party will sign below as Co-Applicant. Completion and submission of this Application by Applicant does not obligate NationsBank to enter into the Agreement or issue the requested Credit.

Alegria Telecom, Inc.
 Name of Company or signature of Co-Applicant as an individual
 By: [Signature]
 Authorized Signature/Title
 1950 N. Stemmons Freeway
 Address
 Suite 3026
 DALLAS, TX 75207

Telephone: 214-853-7100 Fax: 214-853-7110
 Date: July 8, 1998
 Date

Applicant Signature/Title <u>[Signature]</u> Bank Officer	Applicant Signature/Title <u>[Signature]</u> Bank Officer	Officer Number <u>4751</u>
Officer Telephone Number (area code and number) <u>214-890-7236</u>	Officer Internet Address <u>TX-50701-00</u>	Cost Center Number <u>4/336</u>
	Officer Fax (area code and number) <u>214-369-0556</u>	

Standard Letter 1 _____ by (Swift/telex/mail/fax)
 Standard Letter 2 _____ by (Swift/telex/mail/fax)
 Standard Letter 3 _____ by (Swift/telex/mail/fax)

PAGE 2

** TOTAL PAGE 03 **
 07/02/98 THU 09 39 [TX/RX NO 1150]

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214 741 4389
 ** TOTAL PAGE 07 **

PLEDGE AND ASSIGNMENT OF DEPOSITS

<p>Secured Party</p> <p>NationsBank of Texas, N A</p> <p>Banking Center Greenville Avenue 7515 Greenville Ave Dallas Texas 75231 3806</p> <p>County Dallas</p>	<p>Debtor(s)/Pledgor(s)</p> <p>Allegiance Telecom of New York Inc</p> <p>1950 Stemmons Frwy , #3026 Dallas Texas 75207 3107</p> <p>County Dallas</p>
<p>Debtor/Pledgor is <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Residence <input type="checkbox"/> Place of Business <input type="checkbox"/> Chief Executive Office if more than one place of business</p>	

1 For good and valuable consideration the receipt and adequacy of which are hereby acknowledged the Debtor/Pledgor (hereinafter referred to as "Debtor") pledges assigns and grants to NationsBank of Texas N A ("Bank") a security interest in all of the Debtor's right, title and interest in and to the following:

Time Deposit Number 21000009288849, dated April 6, 1996

issued by or maintained with NationsBank of Texas, N A, (the "Financial Institution") together with all moneys or proceeds due or to become due thereunder whether by way of interest dividend or otherwise and all additions, substitutions, or renewals thereof (collectively the "Deposits") (whether or not any such additions, substitutions or renewals are issued by or maintained with the Financial Institution) to secure the payment and performance of the Obligations (hereinafter defined)

2 Unless and until the Bank notifies the Financial Institution in writing that this Pledge and Assignment of Deposits (the "Pledge and Assignment") has been terminated, the Debtor agrees that THE FINANCIAL INSTITUTION SHALL NOT PERMIT WITHDRAWALS OF THE DEPOSITS WITHOUT THE WRITTEN AUTHORIZATION OF THE BANK. In permitting such withdrawals the Financial Institution may conclusively rely on a withdrawal order signed by any officer of the Bank with a title of Assistant Vice President or above. The Bank is entitled to enforce its rights hereunder without regard to any resulting imposition by the Financial Institution against the Debtor of any withdrawal penalty or other charge for which the Debtor alone shall remain liable to the Financial Institution.

3 The following obligations ("Obligations") are secured by this Pledge and Assignment: all debts, obligations, liabilities and agreements of the Debtor and/or n/a to Bank, now or hereafter existing, arising directly or indirectly whether absolute or contingent, joint or several, secured or unsecured, due or not due, liquidated or unliquidated, arising by operation of law or otherwise and all renewals, extensions and rearrangements thereof, all costs and expenses incurred by Bank including attorney's fees to obtain, preserve, perfect, enforce and defend this Pledge and Assignment and all amounts which may be owed to Bank pursuant to all other loan documents (the "Loan Documents") executed by the Debtor and/or any other party evidencing, securing, guarantying or in connection with any of the foregoing.

4 The Debtor represents, warrants and covenants that (a) the Debtor is the owner of the Deposits and has authority to execute and deliver this Pledge and Assignment; (b) the Deposits are not subject to any liens or offsets of any person, firm or corporation other than Bank; (c) it has not made and will not make any pledge, assignment or transfer of the Deposits except to Bank; (d) it has not withdrawn, canceled, been repaid or redeemed all or any part of the Deposits nor is there any pending application to do so; (e) it shall not, so long as any Obligations are outstanding, assign, transfer, withdraw, cancel, redeem or seek repayment of the Deposits; (f) it shall immediately upon Bank's request, execute and deliver such further instruments and documents and take all such other action, as Bank deems necessary or desirable to further evidence and perfect this assignment, pledge and grant of security; (g) it shall promptly notify Bank of any claim, action or proceeding affecting title to the Deposits or any part thereof or the security interest herein; and, at the request of Bank, appear in and defend any such action or proceeding; (h) the Debtor authorizes Bank to notify any issuer or depository of the Deposits of Bank's interest therein and (i) should any funds payable with respect to the Deposits be received by the Debtor they shall immediately upon such receipt become subject to the lien hereof and while in the hands of the Debtor be segregated from all other funds of the Debtor and be held in trust for Bank and the Debtor shall have absolutely no dominion or control over such funds except to immediately pay them into the Deposits.

5 The Debtor hereby consents that at any time and from time to time and with or without consideration the Bank may without notice to or further consent of the Debtor and without in any manner affecting or impairing this Pledge and Assignment, (a) change the manner, place or terms of payment, or change or extend the time of or renew or change any interest rate or alter any liability or obligation or installment thereof or any security therefor; (b) make loans or advances to the Debtor or any other party whose Obligations are secured hereby or otherwise incur or acquire obligations of the Debtor; (c) accept partial payments upon the Obligations or any part thereof; (d) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property at any time

TX366

Approved: 7/6/96
Revised: 7/21/95

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9 NOTICE OF FINAL AGREEMENT THIS WRITTEN ASSIGNMENT OF DEPOSIT AND ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES

IN WITNESS WHEREOF the Debtor has duly executed this Pledge and Assignment as of the 5th day of April, 1998

Bank National Bank of Texas N A
By [Signature]
Name Tracy Moening BECK BURGESS
Title Officer AVP

Debtor(s)/ Pledgor(s)
Alltel Telecomm of New York Inc
By [Signature]
Name DENIS MAUNIER
Title TREASURER

Attest (If Applicable)
(Corporate Seal)

PLEDGE AND ASSIGNMENT OF DEPOSITS

<p>Secured Party</p> <p>NationsBank N A</p> <p>Banking Center Greenville 7515 Greenville Avenue Dallas TX 75231 3806</p> <p>County Dallas</p>	<p>Debtor(s)/Pledgor(s)</p> <p>Allegiance Telecom of New York Inc</p> <p>1950 Stemmons Freeway Suite 3026 Dallas, TX 75207</p> <p>County Dallas</p>
<p><small>Debtor/Pledgor is <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Trust <input type="checkbox"/> Other</small></p> <p><small>Address is Debtor's <input type="checkbox"/> Residence <input checked="" type="checkbox"/> Place of Business <input type="checkbox"/> Chief Executive Office if more than one place of business</small></p>	

1 For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged the Debtor/Pledgor (hereinafter referred to as "Debtor") pledges, assigns and grants to NationsBank N A ("Bank") a security interest in all of the Debtor's right title and interest in and to the following

Time Deposit Number 910 000 107 126 72, dated July 2, 1998

issued by or maintained with NationsBank N.A. (the "Financial Institution") together with all moneys or proceeds due or to become due thereunder whether by way of interest dividend, or otherwise, and all additions substitutions, or renewals thereof (collectively the "Deposits"), (whether or not any such additions substitutions or renewals are issued by or maintained with the Financial Institution), to secure the payment and performance of the Obligations (hereinafter defined)

2 Unless and until the Bank notifies the Financial Institution in writing that this Pledge and Assignment of Deposits (the "Pledge and Assignment") has been terminated, the Debtor agrees that THE FINANCIAL INSTITUTION SHALL NOT PERMIT WITHDRAWALS OF THE DEPOSITS WITHOUT THE WRITTEN AUTHORIZATION OF THE BANK In permitting such withdrawals the Financial Institution may conclusively rely on a withdrawal order signed by any officer of the Bank with a title of Assistant Vice President or above The Bank is entitled to enforce its rights hereunder without regard to any resulting imposition by the Financial Institution against the Debtor of any withdrawal penalty or other charge for which the Debtor alone shall remain liable to the Financial Institution

3 The following obligations ("Obligations") are secured by this Pledge and Assignment all debts obligations liabilities and agreements of the Debtor and/or N/A to Bank, now or hereafter existing arising directly or indirectly whether absolute or contingent, joint or several secured or unsecured due or not due liquidated or unliquidated and arising by operation of law or otherwise and all renewals extensions and rearrangements thereof all costs and expenses incurred by Bank including attorney's fees to obtain preserve perfect enforce and defend this Pledge and Assignment, and all amounts which may be owed to Bank pursuant to all other loan documents (the "Loan Documents") executed by the Debtor and/or any other party evidencing, securing guarantying or in connection with any of the foregoing

4 The Debtor represents warrants and covenants that (a) the Debtor is the owner of the Deposits and has authority to execute and deliver this Pledge and Assignment, (b) the Deposits are not subject to any liens or offsets of any person, firm or corporation other than Bank (c) it has not made and will not make, any pledge assignment or transfer of the Deposits except to Bank, (d) it has not withdrawn canceled been repaid or redeemed all or any part of the Deposits nor is there any pending application to do so (e) it shall not, so long as any Obligations are outstanding assign transfer withdraw, cancel, redeem or seek repayment of the Deposits (f) it shall immediately upon Bank's request, execute and deliver such further instruments and documents and take all such other action as Bank deems necessary or desirable, to further evidence and perfect this assignment pledge and grant of security (g) it shall promptly notify Bank of any claim, action or proceeding affecting title to the Deposits or any part thereof, or the security interest herein and at the request of Bank appear in and defend any such action or proceeding (h) the Debtor authorizes Bank to notify any issuer or depository of the Deposits of Bank's interest therein and (i) should any funds payable with respect to the Deposits be received by the Debtor they shall immediately upon such receipt become subject to the lien hereof and while in the hands of the Debtor be segregated from all other funds of the Debtor and be held in trust for Bank and the Debtor shall have absolutely no dominion or control over such funds except to immediately pay them into the Deposits

5 The Debtor hereby consents that at any time and from time to time and with or without consideration the Bank may, without notice to or further consent of the Debtor and without in any manner affecting or impairing this Pledge and Assignment (a) change the manner, place or terms of payment, or change or extend the time of or renew or change any interest rate or alter any liability or Obligation or installment thereof or any security therefor (b) make loans or advances to the Debtor or any other party whose Obligations are secured hereby or otherwise incur or acquire obligations of the Debtor (c) accept partial payments upon the Obligations or any part thereof (d) sell exchange release surrender realize upon or otherwise deal with in any manner and in any order any property at any time

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Approved:
Revised 12/02/97

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PAGE 02

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pledged or mortgaged to secure the Obligations and any offset there against (e) exercise or refrain from exercising any rights against the Debtor or others or act or refrain from acting in any other manner (f) settle or compromise any Obligation of any security therefor and subordinate the payment of all or any part thereof to the payment of any Obligation of any other parties primarily or secondarily liable on any of the Obligations (g) release or compromise any obligation of the Debtor hereunder or any obligation of any other parties primarily or secondarily liable on any of the Obligations (h) apply any sums from any sources to any of the Obligations without regard to any Obligations remaining unpaid and (i) otherwise deal in any manner with (1) all or any part of the Obligations (2) any of the Loan Documents (3) all or any part of any property at any time securing all or any part of the Obligations and (4) any party at any time liable for any part of the Obligations

6 In the event of any default in the payment or performance of the Obligations or any of the Loan Documents (whether by acceleration declaration, extension or otherwise) or upon the maturity of any Deposits the Debtor waives presentment demand, protest notice of demand notice of intent to accelerate notice of acceleration of maturity notice of protest notice of nonpayment notice of dishonor and any other notice required to be given under law to any borrower, indorser or guarantor of the Obligations in connection with the delivery acceptance performance default enforcement or indorsement of the Loan Documents and irrevocably authorizes the Bank to demand for withdraw and receive from the Financial Institution and irrevocably authorizes and directs the Financial Institution to pay to the Bank as the sole payee any and all funds and deposits comprising the Deposits at such times and in such amounts as the Bank in its sole discretion shall determine Financial Institution shall be fully protected in relying upon the written statement of Bank that the Deposits are at the time of such demand assigned hereunder and that Bank is entitled to payment of the Obligations therefrom Bank may in its discretion either (a) hold such funds or any portion thereof subject to the terms hereof or (b) apply such funds or any portion thereof to the Obligations in such order and manner as the Bank may elect The Debtor confirms that any payments by the Financial Institution to Bank pursuant to such demand shall to the extent thereof satisfy any obligation of the Financial Institution with respect to the Deposits and be a full and complete release discharge and acquittance for the Financial Institution making such payment to the extent of the amount so paid The Bank may at any time or from time to time take any and all actions with respect to the Deposits as authorized herein by law and by the terms of any of the Loan Documents

7 This Pledge and Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns This Pledge and Assignment shall remain in full force and effect unless and until all of the Obligations have been fully satisfied The terms and conditions hereof cannot be limited or amended without the Bank's written consent

8 **ARBITRATION ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS INSTRUMENT AGREEMENT OR DOCUMENT OR ANY RELATED INSTRUMENTS AGREEMENTS OR DOCUMENTS INCLUDING ANY CLAIM BASED ON OR ARISING FROM AN ALLEGED TORT SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE THE APPLICABLE STATE LAW) THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF J.A.M.S./ENDISPUTE OR ANY SUCCESSOR THEREOF ("J.A.M.S.") AND THE "SPECIAL RULES" SET FORTH BELOW IN THE EVENT OF ANY INCONSISTENCY THE SPECIAL RULES SHALL CONTROL JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION ANY PARTY TO THIS INSTRUMENT AGREEMENT OR DOCUMENT MAY BRING AN ACTION INCLUDING A SUMMARY OR EXPEDITED PROCEEDING TO COMPEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION**

(i) **SPECIAL RULES** THE ARBITRATION SHALL BE CONDUCTED IN THE COUNTY OF ANY BORROWER'S DOMICILE AT TIME OF THE EXECUTION OF THIS INSTRUMENT AGREEMENT OR DOCUMENT AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 30 DAYS OF THE DEMAND FOR ARBITRATION, FURTHER THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS

(ii) **RESERVATION OF RIGHTS** NOTHING IN THIS ARBITRATION PROVISION SHALL BE DEEMED TO (I) LIMIT THE APPLICABILITY OF ANY OTHERWISE APPLICABLE STATUTES OF LIMITATION OR REPOSE AND ANY WAIVERS CONTAINED IN THIS INSTRUMENT AGREEMENT, OR DOCUMENT OR (II) BE A WAIVER BY THE BANK OF THE PROTECTION AFFORDED TO IT BY 12 U.S.C. SEC 91 OR ANY SUBSTANTIALLY EQUIVALENT STATE LAW OR (III) LIMIT THE RIGHT OF THE BANK HERETO (A) TO EXERCISE SELF HELP REMEDIES SUCH AS (BUT NOT LIMITED TO) SETOFF OR (B) TO FORECLOSE AGAINST ANY REAL OR PERSONAL PROPERTY COLLATERAL OR (C) TO OBTAIN FROM A COURT PROVISIONAL OR ANCILLARY REMEDIES SUCH AS (BUT NOT LIMITED TO) INJUNCTIVE RELIEF WRIT OF POSSESSION OR THE APPOINTMENT OF A RECEIVER THE BANK MAY EXERCISE SUCH SELF HELP RIGHTS FORECLOSE UPON SUCH PROPERTY OR OBTAIN SUCH PROVISIONAL OR ANCILLARY REMEDIES BEFORE, DURING OR AFTER THE PENDENCY OF ANY ARBITRATION PROCEEDING BROUGHT PURSUANT TO THIS INSTRUMENT AGREEMENT OR DOCUMENT NEITHER THIS EXERCISE OF SELF HELP REMEDIES NOR THE INSTITUTION OR MAINTENANCE OF AN ACTION FOR FORECLOSURE OR PROVISIONAL OR ANCILLARY REMEDIES SHALL CONSTITUTE A WAIVER OF THE RIGHT OF ANY PARTY INCLUDING THE CLAIMANT IN ANY SUCH ACTION, TO ARBITRATE THE MERITS OF THE CONTROVERSY OR CLAIM OCCASIONING RESORT TO SUCH REMEDIES

9 **NOTICE OF FINAL AGREEMENT** THIS WRITTEN ASSIGNMENT OF DEPOSIT AND ANY OTHER DOCUMENTS EXECUTED IN CONNECTION HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES

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Product: 1202287

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IN WITNESS WHEREOF the Debtor has duly executed this Pledge and Assignment as of the 2nd day of July, 1998

Debtor(s)/ Pledgor(s)

Bank ~~North~~ Bank, N.A

Alliance Telecom of New York, Inc

By [Signature]

By [Signature]

Name BECCA BURGESS

Name

Title AVP,

Title

Attest (if Applicable)

[Corporate Seal]



Legal Department
Los Angeles

Bank of America, N A
Mail Code CA9-706-08-02
555 South Flower Street Suite 800
Los Angeles CA 90071-2398

Tel 213 345 1173
Fax 213 345 1192

November 21, 2003

VIA FEDERAL EXPRESS

United States Bankruptcy Court
Southern District of New York
Allegiance Claims Docketing Center
One Bowling Green, Room 534
New York, New York 10004-1408

Re In re Allegiance Telecom of New York, Inc , et al
Debtors
Chapter 11 Jointly Administered under Case No 03-13057 (RDD)

Dear Claims Agent

Enclosed herewith for filing please find original and two copies of BANK OF AMERICA, N A 's PROOF OF CLAIM ("Claim") with regard to the above referenced case Please date-stamp received two copies of the Claim and return them to me in the provided self-addressed stamped envelope

Should you have any questions with regard to the above, please do not hesitate to contact me at (213) 345-1173

Thank you

Sincerely,

A handwritten signature in black ink, appearing to read "Norbelita P. Tobilla".

Norbelita P Tobilla
Assistant Vice President
Paralegal

Enclosures

cc Eric T Sieke, Esq

(584326)