

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

Allegiance Telecom, Inc., et al.,

Debtors.

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Chapter 11 Case No.
03-13057 (RDD)

Jointly Administered

**ORDER PURSUANT TO SECTION 365(a) OF THE
BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO REJECT
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY**

Upon consideration of the motion (the “Motion”), dated May 14, 2003, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), seeking entry of an order, pursuant to section 365 of the Bankruptcy Code,¹ authorizing the Debtors to reject the Rejected Leases, as more fully set forth in the Motion; and it appearing that this Court has jurisdiction to consider and determine the Motion as a core proceeding pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates and creditors; and due and proper notice of the Motion having been given; and a hearing to consider the Motion having been held on June 13, 2003; and good and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

ORDERED that the Unoccupied Leases shall be deemed rejected effective as of the Commencement Date (*i.e.*, as of May 14, 2003), as set forth on Exhibit “A” to this Order; and it is further

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the Motion.

ORDERED that the Occupied Leases shall be deemed rejected effective, with respect to each Occupied Lease, as of the date on which the Debtors surrendered the respective location to the appropriate lessor, as set forth on Exhibit "A" to this Order; and it is further

ORDERED that the Debtors do not waive any claims that they may have against any of the lessors under the Rejected Leases, whether or not such claims are directly related to the Rejected Leases; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: New York, New York
June 13, 2003

/s/Robert D. Drain
United States Bankruptcy Judge

Exhibit A

List of Rejected Leases

<u>Name of Debtor Tenant</u>	<u>Property Address</u>	<u>Landlord's Name and Address</u>	<u>Subtenant's Name and Address Notice Provision (If Applicable)</u>	<u>Estimated Monthly Payments under Lease</u>	<u>Estimated Monthly Receivables under Sublease</u>	<u>Lease Expiration Date</u>	<u>Effective Date of Rejection</u>
Virtualis Systems, Inc.	2255 Ontario Street Suite 500 Burbank, CA 91504	2255 Partners, L.P. c/o M. David Paul Development LLC 233 Wilshire Blvd. Suite 990 Santa Monica, CA 90401	N/A	\$61,928.02		11/30/09	5/14/03
Allegiance Telecom Company Worldwide	5777 West Century Boulevard Suite 310 Los Angeles, CA 90045	L.A.T. Investment Corporation 5777 West Century Blvd Suite 950 Los Angeles, CA 90045	N/A	\$12,722.49		05/31/06	5/30/03
Virtualis Systems, Inc.	5777 West Century Boulevard Suites 385/395 Los Angeles, CA 90045	L.A.T. Investment Corporation 5777 West Century Blvd Suite 500 Los Angeles, CA 90045	N/A	\$7,943.27		06/30/04	5/30/03
Allegiance Telecom, Inc.	2101 Webster Street Suite 1580 Oakland, CA 94612	Webster Street Partners, Ltd. c/o Pankow Development Corp. 2476 North Lake Avenue Altadena, CA 91001 Webster Street Partners, Ltd. c/o Building Manager 2101 Webster Street 13th Floor Oakland, CA 94612	N/A	\$4,694.95		03/31/06	5/30/03
Allegiance Telecom Company Worldwide	3350 Shelby Street Suite 150 Ontario, California 91764	Chippewa Enterprises, Inc. 13245 Riverside Drive, 6th Floor Sherman Oaks, California 91423 Chippewa Enterprises, Inc. 3801 University Avenue, Suite 250 Riverside, California 92501	N/A	\$15,312.87		07/14/07	5/30/03

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Allegiance Telecom, Inc.	1740 Technology Drive Suite 450 San Jose, CA 95110	Hitachi Electronic Devices Attention: Lawrence W. Davis 575 Mauldin Road Greenville, SC 29607 Equity Office Properties EOP – 1740 Technology Drive, L.L.C. 151 Metro Drive San Jose, CA 95110	N/A	\$12,813.10		07/31/04	6/13/03
Allegiance Telecom, Inc.	1221 East Dyer Road Suite 215 Santa Ana, CA 92705	Orange County Business Center LLC c/o SARES-REGIS Group 1221 East Dyer Road Suite 210 Santa Ana, CA 92705	N/A	\$4,428.20		12/31/09	5/30/03
Shared Technologies Allegiance, Inc.	373 Inverness Drive South Suite 206 Englewood, CO 80112	HUB Properties Trust c/o REIT Management and Research LLC 400 Centre Street Newton, Massachusetts 02458	N/A	\$13,261.91		11/05/03	5/14/03
Allegiance Internet, Inc.	1150 Connecticut Avenue, N.W. Suite 2050 Washington, D.C. 20036	Northwestern Development Company c/o Blake Real Estate, Inc. 1150 Connecticut Avenue, N.W. Suite 801 Washington, D.C. 20036	Educational Services, Inc. 1150 Connecticut Avenue, N.W., Suite 1100 Washington D.C. 20036 Attention: J. Paul Ricket	\$8,810.94	(\$7,733.33)	08/31/03	5/14/03
Allegiance Telecom of Florida, Inc.	1400 Centrepark Boulevard Suite 605 West Palm Beach, Florida 33401	1400 Centrepark Limited 1301 Avenue of the Americas 38th Floor New York, New York 10019 Parthenon Realty, LLC 1601 Forum Place, Suite 406 West Palm Beach, Florida 33401	N/A	\$10,042.62		11/30/06	6/12/03

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Shared Technologies Allegiance, Inc.	2030 Powers Ferry Road Suite 400 Atlanta, GA 30339	Connecticut General Life Insurance c/o Times Square Capital Management, Inc. 280 Trumbull Street Hartford, CT 06103 Additional addresses for notices: Connecticut General Life Insurance c/o CarrAmerica Realty Corporation Attn. Real Estate Advisory Services, H-11-H 1600 Parkwood Circle Suite 150 Atlanta, GA 30339 CIGNA Corporation 280 Trumbull Street Hartford, CT 06103 Attention: Real Estate Law, H-11-F7	N/A	\$5,846.62		11/30/06	5/14/03
Shared Technologies Allegiance, Inc.	165 Hansen Court Suite 111 Wood Dale, IL 60191	Great Lakes REIT, L.P. 823 Commerce Drive Suite 300 Oak Brook, IL 60523	N/A	\$8,433.37		12/31/04	5/14/03
Shared Technologies Allegiance, Inc.	9229 Delegates Row Suite 270 Indianapolis, IN 46240	Indianapolis Office Investors II, L.P. One Belmont Avenue Suite 401 Bala Cynwyd, PA 19004	N/A	\$2,248.17		10/31/07	5/14/03
Coast to Coast Telecommunications, Inc.	17197 North Laurel Park Drive Suite 306 Livonia, MI 48152	Laurel Office Park Partnership III 17197 North Laurel Park Dr. Suite 171 Livonia, MI 48152	N/A	\$5,072.00		10/31/04	5/14/03
Virtualis Systems, Inc.	90 Broad Street Third Floor New York, NY 10004	Green 90 Broad, LLC c/o Colliers ABR, Inc. 40 East 52nd Street New York, NY 10022	Qiosk.com Corporation 90 Broad Street, Suite 305 New York, New York 10004-2205 Attention: Daniel M. Schwartz	\$5,912.07	(\$5,852.46)	12/31/03	5/14/03
Allegiance Telecom Company Worldwide	3 Ganett Drive Suite 100 White Plains, New York 10604	Eastridge Properties I Corporation 925 Westchester Avenue White Plains, New York 10604	N/A	\$17,749.44		11/30/07	6/12/03

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Shared Technologies Allegiance, Inc.	10220 S.W. Greenburg Road Suites 130 & 135 Portland, OR 97201	Equity Office Properties Trust 10260 S.W. Greenberg Road Suite 100 Portland, OR 97223	N/A	\$3,412.64		06/30/03	5/14/03
Allegiance Internet, Inc.	1515 Market Street 6th Floor Philadelphia, PA 19102	1515 Market Street Associates c/o West World Management, Inc. 4 Manhattanville Road Purchase, NY 10577	N/A	\$4,989.88		03/31/04	6/12/03
Shared Technologies Allegiance, Inc.	603 Stanwix Street 5th Floor Pittsburgh, PA 15222	TrizecHahn Gateway LLC Two Gateway Center Fourth Floor Pittsburgh, PA 15222 Attention: General Manager Additional addresses for notices: TrizecHahn Gateway, LLC 500 West Madison Suite 3650 Chicago, IL 60661 Attention: Senior Vice President TrizecHahn Gateway, LLC c/o Trizec Holdings Inc. 3011 West Grand Boulevard Suite 450 Detroit, MI 48202	N/A	\$6,223.84		10/31/03	5/14/03

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Shared Technologies Allegiance, Inc.	603 Stanwix Street Lower Level Pittsburgh, PA 15222	TrizecHahn Gateway LLC Two Gateway Center Fourth Floor Pittsburgh, PA 15222 Attention: General Manager Additional addresses for notices: TrizecHahn Gateway, LLC 500 West Madison Suite 3650 Chicago, IL 60661 Attention: Senior Vice President TrizecHahn Gateway, LLC c/o Trizec Holdings Inc. 3011 West Grand Boulevard Suite 450 Detroit, MI 48202	N/A	\$1,122.43		10/31/03	5/14/03
Shared Technologies Allegiance, Inc.	420 Ft. Duquesne Boulevard Lower Level Pittsburgh, PA 15222	TrizecHahn Gateway LLC Two Gateway Center Fourth Floor Pittsburgh, PA 15222 Attention: General Manager Additional addresses for notices: TrizecHahn Gateway, LLC 500 West Madison Suite 3650 Chicago, IL 60661 Attention: Senior Vice President TrizecHahn Gateway, LLC c/o Trizec Holdings Inc. 3011 West Grand Boulevard Suite 450 Detroit, MI 48202	N/A	\$155.15		10/31/03	5/14/03

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Jump.Net, Inc.	7212 & 7218 McNeil Drive Suites 203-206, 301-306 and 308-310 Austin, TX 78729	Trinity National Corporation c/o Goodwin Management, Inc. 11149 Research Boulevard Suite 100 Austin, TX 78759	N/A	\$13,828.00		07/31/04	5/14/03
	7212 McNeil Drive, Suite 204 Austin, TX 78729		Hi-Privacy Networks, LLC 7212 McNeil Drive, Suite 204 Austin, Texas 78729 Attention: Lou Scalpati		(\$1,350.00)	07/31/04	
	7212 McNeil Drive, Suite 205 Austin, TX 78729		Seniors Advisory – Group, LLC 7212 McNeil Drive, Suite 205 Austin, Texas 78729 Attention: John Berlet		(\$975.00)	07/31/04	
	7218 McNeil Drive Suites 301-306 & 308-310 Austin, TX 78729		Core NAP, L.P. 7218 McNeil Drive, Suite 300 Austin, TX 78759 Attention: Kenneth A. Smith		(\$11,096.00)	07/31/04	
Shared Technologies Allegiance, Inc.	8051 Jetstar Drive Suite 100 Irving, TX 75063	Jetstar Partners, Ltd. c/o Collinternational, Inc. 3321 Towerwood Drive Suite 113 Dallas, TX 75232	Andrews Media Services, Inc. 8051 Jetstar Drive, Suite 100 Irving, Texas 75039 Attention: Andrew Walters Additional address for notices: Law Office of Cheryl Engelmann 600 North Pearl Street, Suite 2230 Dallas, Texas 75201	\$12,599.02	(\$4,868.50)	11/30/04	5/14/03
Allegiance Telecom, Inc.	1349 Empire Central Floors 10–13 Dallas, TX 75247	EDS/SHL Corporation 5400 Legacy Drive Plano, TX 75024 Attention: Legal Affairs H3-3A-05 VRS/TA-Cole/Woodview L.P. c/o The HOLT Companies 16250 Dallas Parkway Suite 205 Dallas, TX 75248	United Lending Partners, Ltd. 1349 Empire Central, 13th Floor Dallas, Texas 75247 Attention: Kathy Rogers	\$91,062.77	(\$33,433.83)	06/30/03	5/14/03

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Shared Technologies Allegiance, Inc.	12020 113th Avenue, N.W. Suites 270, 290 & 295 Kirkland, WA 98034	Riggs Bank, N.A., as Trustee for the Employer Property Trust 808 17th Street, N.W. Washington, D.C. 20006 Attention Patrick O. Mayberry Additional addresses for notices: Kennedy Associates Real Estate Counsel, Inc. 2400 Financial Center Seattle, WA 98161 Attention: Brian Lennon Trammell Crow Company 12015 115th Avenue, N.E., Suite 145 Kirkland, WA 98034 Attention: Manager	N/A	\$11,771.72		07/31/04	5/14/03
Allegiance Telecom Company Worldwide	170 Tracer Lane Waltham, MA 02129	Boston Properties Limited Partnership 111 Huntington Avenue Boston, MA 02199	N/A	\$82,177.56		09/30/03	6/13/03
Coast to Coast Telecommunications, Inc.	3155 West Big Beaver Road, Suite 203 Troy, MI 48084	Troy Place Associates c/o Nemer Property Group 26877 Northwestern Highway, Suite 101 Southfield, MI 48037	Medical Resources, L.L.C. 3155 West Big Beaver Road, Suite 205 Troy, Michigan 48084 Attention: James G. Lucas	\$4,537.13	(\$1,500.00)	12/31/03	5/14/03
				TOTALS	\$429,100.18	(\$66,809.12)	
				NET PAYABLES	<u>\$362,291.06</u>		