

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

In re	:	Chapter 11 Case No.
	:	03-13057 (RDD)
ALLEGIANCE TELECOM, INC., et al.,	:	
	:	Jointly Administered
Debtors.	:	

**ORDER PURSUANT TO SECTIONS 105(a)
AND 363 OF THE BANKRUPTCY CODE FOR AN ORDER (A)
APPROVING THE SALE AND PURCHASE AGREEMENT WITH
CARRELL CLINIC JV II FOR CERTAIN REAL ESTATE, (B) AUTHORIZING
THE SALE OF CERTAIN REAL ESTATE FREE AND CLEAR OF LIENS
AND OTHER INTERESTS AND (C) APPROVING THE PAYMENT OF THE
TRANSACTION FEE TO TRANSWESTERN PROPERTY COMPANY SW, GP L.L.C.**

Upon the motion dated December 24, 2003 (the “Motion”), of Allegiance Telecom, Inc., and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), for an order pursuant sections 105(a) and 363 of the Bankruptcy Code¹ for an order (a) approving the sale and purchase agreement with Carrell Clinic JV II for certain real estate, (b) authorizing the sale of certain real estate free and clear of liens and other interests and (c) approving the payment of the Transaction Fee to Transwestern Property Company SW, GP L.L.C., as more fully set forth in the Motion; and the Court having jurisdiction to consider and determine the Motion as a core proceeding in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that the relief requested by the Motion is based upon the Debtors’ reasonable business judgment and is necessary and in the best interests of the Debtors, their estates, and their creditors; and due notice of the Motion having been provided,

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

and it appearing that no other or further notice is necessary; and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to section 363(b) of the Bankruptcy Code, entry by the Debtors into the Purchase and Sale Agreement (and the transactions contemplated therein) is authorized; and it is further

ORDERED that, pursuant to section 363(b) of the Bankruptcy Code, Transwestern is hereby authorized to sell the Real Estate under the terms of the Purchase and Sale Agreement; and it is further

ORDERED that, pursuant to section 363(f) of the Bankruptcy Code, the Real Estate contemplated by the Purchase and Sale Agreement shall be free and clear of all liens, claims, encumbrances, and interests thereon (except for the statutory liens for current year ad valorem taxes to the extent it is the responsibility of Carrell to pay such ad valorem taxes pursuant to the terms of the Purchase and Sale Agreement and related closing documents) when sold by the Debtors and Transwestern thereunder, with all currently existing liens, claims, encumbrances, and interests in such assets, or the proceeds thereof, including those of the Debtors' prepetition senior secured lenders, or any other assets sold pursuant to the Purchase and Sale Agreement, to attach with the same validity, priority, and effect as they now may have against the Debtors' estates only to the proceeds received by the Debtors pursuant to the Purchase and Sale Agreement; and it is further

ORDERED that the Purchase and Sale Agreement was proposed, negotiated at arm's length, and entered into in good faith by the respective parties, thereby entitling Carrell to receive the benefit and protections of section 363(m) of the Bankruptcy Code; and it is further

ORDERED that, pursuant to section 105(a) and 363(b) of the Bankruptcy Code and without further application to this Court, the Exclusive Listing Agreement is approved and the Debtors are authorized to pay Transwestern, after closing and receipt of the proceeds, the Transwestern Fee as set forth in the Exclusive Listing Agreement in connection with Transwestern's services rendered as agent for the Debtors to sell the Real Estate; and it is further

ORDERED that this Court shall retain jurisdiction over the parties to enforce the terms of the Purchase and Sale Agreement and to determine disputes thereunder.

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

Dated: New York, New York
January 15, 2004