

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER PURSUANT TO SECTION 365(a) OF THE BANKRUPTCY CODE
AND BANKRUPTCY RULE 6006 AUTHORIZING THE REJECTION OF A
CERTAIN UNEXPIRED LEASE OF NONRESIDENTIAL REAL PROPERTY**

Upon the motion (the “Motion”), dated December 12, 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 authorizing the rejection of the King of Prussia Lease¹ pursuant to section 365 of the Bankruptcy Code and, 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 good and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to section 365 of the Bankruptcy Code, the King of Prussia Lease shall be deemed rejected as of December 31, 2003; and it is further

ORDERED that any proof of claim for damages arising from the rejection of the King of Prussia Lease must be filed on or before forty-five (45) days after the date of this Order, and any claims resulting from the rejection of the King of Prussia Lease not so filed shall be

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

forever barred from participating in the Debtors' chapter 11 cases and receiving any dividend or distribution thereon; and it is further

ORDERED that nothing herein shall constitute a waiver by the Debtors of any claims they may have against the lessor under the King of Prussia Lease, whether or not such claims are directly related to the King of Prussia Lease; 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
January 15, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE