

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
: :
ALLEGIANCE TELECOM, INC., et al., : Case No. 03-13057 (RDD)
: :
Debtors. : (Jointly Administered)
: :
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ORDER PURSUANT TO BANKRUPTCY RULE 9018 AND SECTION 105 OF THE BANKRUPTCY CODE VACATING AS TO KMC TELECOM XI LLC THE ORDER PURSUANT TO SECTION 107(b) OF THE BANKRUPTCY CODE AND RULE 9018 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (A) AUTHORIZING LEVEL 3 COMMUNICATIONS, LLC TO FILE ALL EXHIBITS TO THE MOTION FOR RECOUPMENT AND RELIEF FROM THE AUTOMATIC STAY UNDER SEAL, AND (B) SCHEDULING AN IN CAMERA HEARING ON THE MOTION

Upon the motion dated February 13, 2004 (the “Motion”) of KMC Telecom XI LLC (“KMC”) for an order vacating as to KMC that certain Order Pursuant to Section 107(b) of the Bankruptcy Code and Rule 9018 of the Federal Rules of Bankruptcy Procedure (A) Authorizing Level 3 Communications, LLC to File All Exhibits to the Motion for Recoupment and Relief from the Automatic Stay Under Seal, and (B) Scheduling an In Camera Hearing on the Motion, entered on February 10, 2004 (the “Seal Order”); and due and proper notice of the Motion having been given; and a memorandum of law pursuant to Local Bankruptcy Rule 9013 not being required under the circumstances; and after due deliberation and sufficient cause appearing therefor, it is hereby:

ORDERED, that the Motion is granted; and it is further

ORDERED, that the Seal Order is vacated as to KMC; and it is further

ORDERED, that the Level 3 Motion¹ with all exhibits attached thereto, unredacted, shall promptly be served on KMC, and that KMC shall be allowed to attend and participate in the *in camera* and other proceedings in connection with the Level 3 Motion, provided, however, that KMC is prohibited from disclosing or providing to third parties any information revealed during the *in camera* hearing or set forth in the redacted or sealed exhibits to the Level 3 Motion; and it is further

ORDERED, that the requirement of a separate accompanying memorandum of law be dispensed with and waived.

Dated: New York, New York
February __, 2004

Honorable Robert D. Drain
United States Bankruptcy Judge

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Motion.