

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 APPROVING
THE REJECTION OF CERTAIN EXECUTORY CONTRACTS**

Upon consideration of the motion (the “Motion”), dated February 11, 2004, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, debtors in possession (collectively, the “Debtors”), seeking entry of an order, pursuant to section 365(a) of the Bankruptcy Code,¹ approving the rejection of the Rejected Contracts, 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 if appearing that there are no objections to the Motion; 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 the Rejected Contracts shall be deemed rejected effective as of the date of the Motion; and it is further

ORDERED that any proof of claim for damages arising from the rejection of the Rejected Contracts 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 Rejected Contracts not so filed shall be forever

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

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

ORDERED that the Debtors do not waive or release any rights, claims, causes of action, or defenses, including rights of set-off or recoupment with respect to such Rejected Contracts; 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: February 25, 2004
New York, New York

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE