

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 107(b) OF THE BANKRUPTCY CODE AND
RULE 9018 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE, AUTHORIZING THE DEBTORS TO FILE A REDACTED VERSION
OF THE SETTLEMENT AGREEMENT IN CONNECTION WITH THE DEBTORS'
MOTION FOR AN ORDER PURSUANT TO (A) RULE
9019 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE, APPROVING THE CONFIDENTIAL SETTLEMENT
AGREEMENT AND MUTUAL RELEASE, DATED FEBRUARY 27,
2004, AMONG LEVEL 3 COMMUNICATIONS, LLC, THE DEBTORS
AND XO COMMUNICATIONS, INC.; (B) SECTION 363 OF
THE BANKRUPTCY CODE AUTHORIZING THE TRANSFER OF
CERTAIN ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND
ENCUMBRANCES, AND (C) SECTION 365 OF THE BANKRUPTCY
CODE, APPROVING AND AUTHORIZING THE ASSUMPTION AND
ASSIGNMENT OF AN EXECUTORY CONTRACT**

Upon consideration of the motion (the "Motion"),¹ dated March 5, 2004, 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 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018, authorizing the Debtors to file a redacted version of the Settlement Agreement in order to protect the proprietary, confidential and competitive commercial information contained therein, all 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

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

the Motion is in the best interest of the Debtors' estates and creditors; and it appearing that no notice of the Motion need be provided; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to section 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018, the Debtors are authorized to file a redacted version of the Settlement Agreement, in the form set forth in the Motion; and it is further

ORDERED that the redacted information in the Settlement Agreement remain confidential; and it is further

ORDERED that the unredacted version of the Settlement Agreement shall be served on and made available only to the Court, the U.S. Trustee, attorneys for the Creditors Committee and attorneys for the Debtors' prepetition lenders, and shall not be made available to the general public or any parties in interest in these chapter 11 cases; provided that the Settlement Agreement may be provided to certain persons, at the discretion of the Debtors, who are subject to confidentiality obligation to the Debtors; and provided further that any such person receiving an unredacted version of the Settlement Agreement pursuant to this Order shall also be bound by this Order to maintain the confidentiality of the Settlement Agreement.

Dated: New York, New York
March 5, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE