

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

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

**ORDER PURSUANT TO SECTION 365 OF
THE BANKRUPTCY CODE APPROVING THE ASSUMPTION
OF AN UNEXPIRED LEASE OF NONRESIDENTIAL REAL
PROPERTY, AS AMENDED, WITH PRINCIPAL PROPERTIES, L.P.**

Upon the motion (the "Motion"), dated April 7, 2004, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors"), for an order, pursuant to section 365 of title 11 of the United States Code (the "Bankruptcy Code"), approving the assumption of that certain lease agreement, dated December 6, 1996 (as amended, the "Lease Agreement"), between Shared Technologies Allegiance, Inc., as successor-in-interest to Shared Technologies Fairchild Telecom, Inc., and Principal Properties, L.P. ("Principal Properties"), as successor-in-interest to Principal Mutual Life Insurance Company, as amended by the Second Amendment to the Lease Agreement, dated as of April 6, 2004 (the "Second Amendment"), a copy of which is annexed to the Motion as Exhibit A, 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' sound 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, and it appearing that no other or further notice is necessary; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that the Debtors' assumption of the Lease Agreement, as amended by the Second Amendment, is approved and authorized pursuant to section 365(a) of the Bankruptcy Code; and it is further

ORDERED that the requirement under rule 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York for the filing of a separate memorandum of law is waived.

Dated: New York, New York
April 20, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE