

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER, PURSUANT TO SECTION 365 OF THE
BANKRUPTCY CODE, AUTHORIZING THE ASSUMPTION BY
SHARED TECHNOLOGIES ALLEGIANCE, INC. OF AN UNEXPIRED LEASE OF
NONRESIDENTIAL REAL PROPERTY, AS AMENDED, WITH PHILDA COMPANY**

Upon the motion (the “Motion”), dated May 5, 2004, of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, including Shared Technologies Allegiance, Inc. (“Shared Technologies”), 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”), authorizing Shared Technologies to assume that certain lease agreement, dated January 11, 1990 (as amended, the “Lease Agreement”), between Shared Technologies and Philda Company, as amended by that certain Second Extension and Modification to Lease Agreement, dated as of April 21, 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 there being no objection to the Motion and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that the assumption by Shared Technologies 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 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
May 20, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE