

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, AUTHORIZING THE DEBTORS TO REJECT
CERTAIN UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY**

Upon consideration of the motion (the “Motion”), dated May 20, 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 365(a) of the Bankruptcy Code,¹ authorizing the Debtors to reject the Rejected Leases, 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 due and proper notice of the Motion having been given; and after due deliberation and sufficient cause appearing therefor; it is

ORDERED that the Motion is granted; and it is further

ORDERED that the Rejected Leases shall be deemed rejected effective, as of the date on which the Debtors surrender the respective location to the applicable landlord, as set forth on Exhibit “A” to this Order; and it is further

ORDERED that any proof of claim for damages arising from the rejection of the Rejected Leases must be filed on or before forty-five (45) days after the date of this Order, and

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

any claims resulting from the rejection of the Rejected Leases not so filed shall be forever 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 any claims that they may have against any of the landlords under the Rejected Leases, whether or not such claims are directly related to the Rejected Leases; 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: New York, New York
June 2, 2004

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

Exhibit "A"

List of the Rejected Leases

Name of Debtor Tenant	Property Address	Landlord's Name and Address	Estimated Monthly Payments under Lease	Effective Date of Rejection	Lease Expiration Date
Shared Technologies Allegiance, Inc.	9197 West 6th Avenue Suite 1000 Lakewood, Colorado 80215	First Industrial Realty Trust 311 South Wacker Drive Suite 4000 Chicago, Illinois 60606 Attention: KFH, Portfolio Manager First Industrial Realty Trust, Inc. 5350 South Roslyn Street Suite 240 Englewood, Colorado 80111 Attention: Regional Manager Barrack Ferrazzano Kirschbaum Perlman & Nagelberg, LLC 333 West Wacker Drive Suite 2700 Chicago, Illinois 60606 Attention: Suzanne Bessette-Smith	\$15,077.53	06/30/04	06/30/05
Shared Technologies Allegiance, Inc.	750 Eighth Avenue Suite 202 New York, New York 10036	G&C Realty Company, L.L.C. c/o Hotel Edison 228 West 47th Street New York, NY 10036	\$1,700.00	06/18/04	Month-to-Month
Shared Technologies Allegiance, Inc.	750 Eighth Avenue Suites 205, 206 & 208 New York, New York 10036	G&C Realty Company, L.L.C. c/o Hotel Edison 228 West 47th Street New York, NY 10036	\$3,800.00	06/18/04	Month-to-Month
Allegiance Telecom Company Worldwide	1400 Providence Highway Building #3 Norwood, Massachusetts 02062	Norwood Equity Partners, LLC c/o Everest Partners, LLC 950 Third Avenue 28th Floor New York, New York 10022-2705 Everest Partners, LLC 99 Rosewood Drive Suite 270 Danvers, Massachusetts 01923	\$22,059.85	06/30/04	10/31/08
Shared Technologies Allegiance, Inc.	450 Spring Park Place Suite 1100 Herndon, Virginia 22071	CalEast Industrial Investors, LLC Herndon Spring Park 5727 Collections Center Drive Chicago, Illinois 60693 Cal East Industrial Investors, LLC c/o CB Richard Ellis, Inc. 485 Spring Park Place Suite 600 Herndon, Virginia 20170	\$10,558.56	06/30/04	10/31/04
TOTALS			\$53,195.94		