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Attorneys for Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK

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

**AFFIDAVIT OF JONATHAN S. HENES, ESQ.  
 PURSUANT TO RULE 9077-1 OF THE LOCAL BANKRUPTCY  
 RULES FOR THE SOUTHERN DISTRICT OF NEW YORK**

STATE OF NEW YORK    )  
                                   )  
 COUNTY OF NEW YORK )       ss.:

JONATHAN S. HENES, being duly sworn, deposes and says:

1. I am an attorney at law admitted to practice before this Court and a member of the firm of Kirkland & Ellis LLP (“K&E”), attorneys for Allegiance Telecom, Inc. (“ATI”) and its direct and indirect subsidiaries, including Shared Technologies Allegiance, Inc. (“Shared Technologies”), as debtors and debtors in possession (collectively, the “Debtors”), in connection with these chapter 11 cases.

2. I submit this affidavit based on personal knowledge, except where otherwise indicated, in support of the Debtors’ motion, dated April 7, 2004 (the “Motion”), seeking entry of an order shortening the notice period with respect to a hearing to consider the Debtors’ motion

(the "Sublease Motion"), seeking entry of an order, pursuant to section 363 of the Bankruptcy Code,<sup>1</sup> authorizing Shared Technologies to enter into a sublease (the "Sublease") with Parago, Inc. (f/k/a How2.com, Inc.).

3. Bankruptcy Rules 2002(a)(2) and 9006(c)(1) and rule 9006-1 of the Local Bankruptcy Rules for the Southern District of New York authorize the Court, for cause shown, to reduce the notice period required for a hearing to authorize a proposed use, sale or lease of property of the estate other than in the ordinary course of business. Accordingly, for the reasons set forth below, the Debtors request entry of an order shortening the required notice period with respect to the hearing on the Sublease Motion.

4. As set forth in more detail in the Sublease Motion, the Debtors' principal executive offices are located at 9201 North Central Expressway, Dallas, Texas 75231 (the "Allegiance Headquarters"). The Debtors occupy the Allegiance Headquarters pursuant to that certain lease agreement, dated July 19, 2000 (as amended, the "Headquarters Lease"), between Allegiance Telecom Company Worldwide ("ATCW"), a direct subsidiary of ATI and one of the Debtors in these chapter 11 cases, and NCX Office Development, L.P. As a result of (a) the sale of substantially all of the assets of ATI and ATCW to XO Communications, Inc., which include the Headquarters Lease, and (b) the anticipated emergence of Shared Technologies as a stand-alone entity, Shared Technologies has to relocate its employees, currently working at the Allegiance Headquarters, to a new office space (the "Office Space"), which will subsequently serve as the reorganized Shared Technologies' headquarters. In that regard, Shared Technologies has (c) found appropriate office space in Coppell, Texas, which meets its needs with respect to the size and location of the new headquarters, and, subject to Court approval, (d)

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<sup>1</sup> Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Motion.

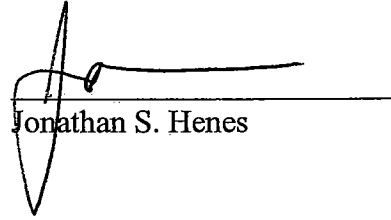
agreed to enter into the Sublease. Importantly, if Shared Technologies enters into the Sublease prior to May 1, 2004, it will be entitled to occupy the Office Space rent-free for the first month of the Sublease. As a result, in order for Shared Technologies to receive the aforementioned rent reduction under the Sublease, the Debtors need to obtain Court approval of the Sublease Motion prior to May 1, 2004.

5. In addition, K&E, as attorneys for the Debtors, consulted with a representative of the Office of the U.S. Trustee, the attorneys for the Prepetition Lenders and the attorneys for the Creditors Committee regarding the relief requested herein. *All* of the aforementioned parties have consented to such relief.

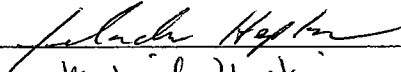
6. Based on the foregoing, the Debtors and their estates may be prejudiced unless the 20-day notice period prescribed for hearings to authorize a proposed use, sale or lease of property of the estate other than in the ordinary course of business, pursuant to Bankruptcy Rule 2002(a)(2), is shortened. Accordingly, the Debtors submit that good and sufficient cause exists for this Court to enter an order shortening the prescribed notice period so that the hearing on the Sublease Motion may proceed on an expedited basis. For that reason, the Debtors request that (a) the hearing to consider the Sublease Motion be scheduled for April 20, 2004, at 10:00 a.m., prevailing Eastern Time, and (b) the deadline for the service and filing of objections to the Sublease Motion be set for April 16, 2004, at 4:00 p.m., prevailing Eastern Time. The Debtors submit that the notice provisions set forth in the proposed order annexed to the Motion constitute good and sufficient notice of the Sublease Motion, the relief requested therein and the proceedings to be held thereon.

7. No previous request for the relief sought in the Motion has been made to this or any other court.

Subscribed and sworn to before me  
this 7<sup>th</sup> day of April, 2004.



Jonathan S. Henes

  
Melinda Hopkins  
Notary Public, State of New York  
No. 31-4784820  
Qualified in New York County  
Commission Expires 8/31, 2005

MELINDA HOPKINS  
Notary Public, State of New York  
No. 31-4784820  
Qualified in New York County  
Commission Expires