UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER PURSUANT TO SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE APPROVING THE SERVICES AGREEMENT WITH IMPALA PARTNERS, LLC

Upon the motion (the "Motion"), dated July 11, 2003 of Allegiance Telecom, Inc. and its direct and indirect subsidiaries, as debtors and debtors in possession (collectively the "Debtors") for an order pursuant to sections 105 and 363 of title 11 of the United States Code (the "Bankruptcy Code") approving the services agreement with Impala Partners, LLC (the "Agreement"), dated July 11, 2003, all as more fully set forth in the Motion; and it appearing that this Court has jurisdiction to consider and determine the Motion as core preceding 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, their creditors, and other parties in interest; and it appearing that due and proper notice of this Motion has been given; and after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED that the Motion is granted; and it is further

ORDERED that the Agreement is hereby approved in its entirety; and it is further

ORDERED that the are authorized to employ Impala Partners, LLC to provide management services to the Debtors on the terms and conditions set forth in the Agreement; and it is further

ORDERED that all compensation and reimbursement due to, and other rights of, Impala Partners, LLC in accordance with the Agreement, including, without limitation

indemnification obligations, shall be treated as an allowed administrative expense under section 503 of the Bankruptcy Code and shall be paid in accordance with the terms and provisions of the Agreement; and it is further

ORDERED that all compensation and reimbursement of expenses to be paid to Impala Partners, LLC shall be subject to prior approval of this Court in accordance with the requirements of sections 330 and 331 of the Bankruptcy Code and the order of this Court establishing procedures for monthly compensation and reimbursement of expenses for professionals, dated June 13, 2003; and it is further

ORDERED that to the extent that there may be inconsistency between the terms of the Motion, the Agreement or this Order, the terms of this Order shall govern; and it is further

ORDERED that the Court shall retain jurisdiction over any and all disputes arising under or otherwise relating to the construction, performance and enforcement of the terms and conditions of the Agreement.

Dated: New York, New York
_____, 2003

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UNITED STATES BANKRUPTCY JUDGE